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Daily Report
Central Eurasia

FBIS-SOV-94-245 *21 December 1994*

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Turkmenia, Ukraine Reach Accord on Gas Debt

MM2012151994 Moscow SELSKAYA ZHIZN in Russian 20 Dec 94 p 1

[ITAR-TASS report from "Chronicle of These Days" roundup under "In the CIS" rubric: "Deferment Granted"]

[FBIS Translated Text] Turkmenia has agreed to defer payment by Ukraine of dues for the delivery of gas prior to 19 December this year. At the same time, the Ukrainian side has been denied a request to reduce the volumes of negotiated deliveries of grain and flour by way of discharging the debt. This was reported to an ITAR-TASS correspondent by Turkmenian Vice Premier Valeriy Otchertsov, commenting on the government-level talks in Moscow between the two republics. Turkmenia, he stressed, urged Ukraine to honor previously assumed commitments on discharging the debt for gas deliveries. Under an agreement reached earlier in Ashkhabad [Ashgabat], Ukraine should have transferred $300 million by 10 December for deliveries of natural gas in 1994. On these terms, Ukraine has been offered a seven-year credit worth $713 million, into which the debt for gas deliveries in 1993 has been restructured.

ITAR-TASS Carries Press Review for 21 Dec

LD2112060394 Moscow ITAR-TASS in English 0556 GMT 21 Dec 94

["Press Review"—ITAR-TASS headline]

[FBIS Transcribed Text] Moscow 21 Dec (ITAR-TASS)—The situation in and around Chechnya and the measures taken by federal authorities to overcome the crisis are in the focus of attention of the Russian press today.

ROSSIISKAYA GAZETA publishes the State Duma's appeal to believers in Russia in connection with the armed conflict in the Chechen republic. The appeal stresses that the State Duma declares its readiness to take part in any steps by the clergy aiming to prevent bloodshed in the northern Caucasus.

ROSSIYISKIYE VESTI cite letters of Russian citizens to the president of the country concerning the events in Chechnya. On December 12, for example, the president received a large amount of telegrams, which make it clear that only one in five people approve the federal action in Chechnya.

On December 15, every other person "recognises the right of the Russian leadership to take decisive action and believes them to be the only correct means in the obtaining situation". KOMSOMOLSKAYA PRAVDA reports that the number of journalists working in Groznyy has decreased notably. Until recently, about 40 journalists from across the world worked here, but now there is hardly one score of them left.

KRASNAYA ZVEZDA says the situation in Chechnya remains extreme and the troops are acting accordingly. "Yes, it is impossible to avoid spilling blood. Yes, losses are possible. Officers and soldiers die. It is a painful, a very painful thought. But alas, there is no other option today," the newspaper says.

IZVESTIYA says on the front page that "the louder the gunfire in Chechnya, the more difficult it is to find out what is really happening there". The newspaper criticises the Russian Government's provisional information centre. "Journalists who dial the information centres number these days find out that the centre can offer information which is only relatively fresh, coming not even second- but third-hand. If you want fresh news, turn to other press services," the newspaper says.

IZVESTIYA carries an open letter of the Russian writer Grigoriy Baklanov addressed to President Boris Yeltsin. The writer asks the head of state to invite Dudayev to Moscow and expresses confidence that such a step "will be appreciated and understood".

ROSSIYSKIYE VESTI inform the reader about Prime Minister Viktor Chernomyrdin's visit to India, which begins today. The newspaper says "the premier's visit is well prepared". The newspaper quotes an unnamed high-ranking Russian diplomat in Moscow as saying "the visit is doomed to success. There can be nothing unexpected".

NEZAVISIMAYA GAZETA reports that the Bolshoi theatre director, Vladimir Kokonin, has filed a suit against the strike committee of the theatre's company. The administrator says the strikes by the company are illegal.

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Concern That U.S. 'Again Blocked' Energy Aid to Belgrade

LD2012190794 Moscow INTERFAX in English 1751 GMT 20 Dec 94

[FBIS Transcribed Text] Moscow, Dec 20 (Interfax)—The Russian Foreign Ministry said it was concerned over the position of the U.S. and several other countries in the UN Security Council which "once again blocked for an unspecified term" making a decision on humanitarian delivery of energy supplies (gas and furnace fuel oil) to Belgrade.

The Russian Foreign Ministry's Spokesman Grigori Karasin said at a briefing in Moscow today that Russia had submitted the appropriate proposal for consideration by the committee on sanctions on December 13.

He said the position on the Russian initiative was unacceptable given "the serious humanitarian situation appearing as a result of the lack of energy supplies in winter." Karasin said that such a situation threatened lives and health of hundreds thousand people.

He said that the position of these countries seemed "especially non-constructive within the context of efforts now put by the Belgrade leaders in order to contribute to political settlement in Bosnia and Herzegovina."

For more details refer to the IF Diplomatic Panorama of December 20.

Spokesman Regrets U.S. Move

LD2012150594 Moscow ITAR-TASS in English 1458 GMT 20 Dec 94

[By ITAR-TASS diplomatic correspondents Valeriy Sevryukov and Vladimir Suprun]

[FBIS Transcribed Text] Moscow December 20 TASS—The Russian Foreign Ministry expressed "concern and disappointment" with the U.S blocking of a decision on Russian humanitarian deliveries of gas and black oil to Yugoslavia at the U.N. committee for control over sanctions against former Yugoslavia. This decision was also blocked by some other states.

It is obviously inadmissible, head of the Russian Foreign Ministry's information and press department Grigoriy Karasin told a briefing here today. Bearing in mind the shortage of energy carriers in Yugoslavia, thousands of its residents are in danger, he added. The blocking is evidently non-constructive in the light of yugoslav efforts to help political settlement in Bosnia, said the diplomat.

He reminded that the Russian side has always objected to double standards, especially in humanitarian issues. He cited as an example the delivery of Russian natural gas to Bosnia which continues despite the non-payment.

Commentator on Helicopter Incident, U.S.-DPRK Relations

SK2012143694 Moscow Voice of Russia World Service in Korean 1200 GMT 20 Dec 94

[FBIS Translated Text] Listeners: As has already been reported, a U.S. military helicopter carrying two crewmen illegally trespassed into DPRK airspace on 17 December. Fire from an antiaircraft unit reportedly forced the helicopter to land. It was reported that one of the crew died in the incident.

In connection with this incident, station commentator (Valery Surikov) has written as follows:

As has been reported by the Korean Central News Agency, the U.S. military helicopter penetrated 5 km into the airspace over Kangwon Province. I would like to remind you that a similar incident took place in 1977. At that time, too, a U.S. Air Force helicopter that penetrated into DPRK airspace was shot down in a defensive measure. Three U.S. soldiers were killed and wounded [salsangdoetsumnida].

Then, how did the latest incident happen? The U.S. State Department and the Allied Forces Command [as heard] have been making excuses, saying that this incident took place due to an error by the crew, who were engaged in a training flight in the sky over the Demilitarized Zone [DMZ].

According to the reports by the U.S. and South Korean [namjoson] public media, the helicopter was off course in a heavy snow covered area and crossed into the DMZ.

According to reports from Pyongyang, this was an espionage [chongtam] flight.

Washington is asking Pyongyang to return the dead body of the killed [salsangdoen] crewman and the surviving pilot. In many respects, the results of the contacts between the two sides' being held at Panmunjom will determine if this problem can be solved quickly .

I would like to point out the fact that Korean-U.S. [chomi] relations have begun to develop in a favorable direction [choke] over the past two months since the framework agreement was adopted between Korea and the United States [chomi] on the solution of the nuclear issue on the Korean peninsula in Geneva on 21 October.

It is yet difficult to talk about what influence the latest incident will exert on the process of the mutual dialogue aimed at developing the relations of the two countries. This notwithstanding, I would like to expect that neither Pyongyang nor Washington is interested in returning to the era of confrontation.

White House spokesman Myers is reported to have expressed her conviction that the latest incident will not affect the development of the relations between the two

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countries. U.S. CIA Director James Woolsey has also said that there is no abnormality in the DPRK at the present moment.

Carter Mediation Seen Offering 'Advantages'

MM2112134394 Moscow PRAVDA in Russian 21 Dec 94 p 7

[Report by Yevgeniy Fadeyev: "Pluses and Minuses of Carter Mission"]

[FBIS Translated Text] Belgrade, 20 December—The surprise move on the part of the Bosnian Serbs and their leader R. Karadzic—the decision to invite former U.S. President J. Carter to act as mediator in the talks with Muslims on halting almost three years of bloodshed—proved to be a most potent "home brew." Russia, which, thanks to the "wise" and "useful" counsel of its diplomatic chief, flamboyantly renounced all forms of contact with the Serbs on the other side of the Drina, has once again found itself on a path already trodden by the Americans.

Indeed, it may be that Carter's position will not affect that of the Washington administration at all: Nobody knows whether he has been granted any powers by the current chief of the White House. What is more, even now the White House is dissociating itself from statements made by the former U.S. president. During talks with the leader of the Bosnian Serbs, Carter said that "a rare opportunity has appeared today to tell the world public the truth and to explain that the Serbs are devoted to the cause of peace." The White House made it clear that it does not share Carter's position here....

Nevertheless, despite this detachment Washington, it seems to me, knew only too well what he was doing: Representatives of the state department, the National Security Council, and the CIA had spoken with Carter before his departure.

And how do the leaders of the warring sides in Sarajevo evaluate Carter's visit? A. Izetbegovic, after meeting with him, declared that his interlocutor had not come to alter the Contact Group plan but, on the contrary, to exert pressure on the Bosnian Serbs to adopt it.... R. Karadzic in turn expressed the hope that Carter's visit would result in a relaxation of the American position and, more specifically, in Washington's consenting to an amendment of the territorial partition of Bosnia as proposed by the Contact Group.

Be that as it may, the Bosnian Serbs' idea of inviting Carter unofficially had advantages which are difficult to find at an official level. Indeed, the Bosnian leadership greeted the ex-president with a certain caution, believing that he was doing the Serbs a favor....

As it turned out, at the very same time a peculiar type of aid arrived for the Bosnian Muslims too. From, it would seem, faraway Chechnya. Without batting an eyelid, Russia's Foreign Ministry chief A. Kozyrev is issuing statements about how the events there are actions wholly supported by the West and a number of other countries. But the Cairo newspaper AL-AKHBAR, talking about the situation in Chechnya, draws its own conclusion: The whole trouble is that "Dudayev, a Muslim, is applying the rules of the Shari'ah in his republic.... The era of Boris Yeltsin is the worst in Russia's history. Russians no longer talk about human rights, national independence, or the right of peoples to self-determination. Moscow's shameful actions are not restricted to the Russian republics. They are targeted at Muslims everywhere...." Hence its conclusion that what is needed is urgent help for all "brothers in faith."

In general people on all sides—West and East—are keeping a close watch on Bosnia. Carter's visit may be based on the same kind of watching brief.

Foreign Ministry Says Carter's Bosnia Mission 'Private'

LD2012175494 Moscow INTERFAX in English 1555 GMT 20 Dec 94

[From the "Diplomatic Panorama" feature: reports by our diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov and others]

[FBIS Transcribed Text] Moscow, Dec 20 (Interfax) - The Russian Foreign Ministry regards the mission of former U.S. president Jimmy Carter to Bosnia as a private initiative.

The Russian Foreign Ministry's Spokesman Grigoriy Karasin told a briefing in Moscow today that the U.S. State Department had the same opinion. "The basis for settlement in Bosnia is the plan of the contact group to which practically all parties are faithful except the Bosnian Serb leaders," he said.

Karasin said that Russia was in favor of any actions contributing to achieving ceasefire in Bosnia and implementing the plan of the contact group as a result.

Gore Visit Seen as 'Important Political Event'

MM2112094394 Moscow ROSSIYSKAYA GAZETA in Russian 21 Dec 94 First Edition p 6

[Report by Vladimir Kuznechevskiy: "No Schedule For Expansion of NATO. U.S. Vice President Albert Gore Tells Russian Leadership This During Moscow Visit"]

[FBIS Translated Text] The routine working visit to Moscow by Albert Gore, the number two in the U.S. Administration, has quite unexpectedly turned into an important political event.

As cochairman of the Russian-U.S. Intergovernmental Commission for Economic and Technological Cooperation (along with Viktor Chernomyrdin), A. Gore was to have taken part in a plenary session of the commission. But he had to deal not only with questions of economic cooperation, but also of political cooperation. The vice

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president touched on this last sphere not only during the talks with V. Chernomyrdin, but also during a brief meeting with Boris Yeltsin.

The fact is that, when the date for his visit was set, the Budapest meeting had not yet been held; it was no accident that THE NEW YORK TIMES wrote the other day that: "The rebuff which Boris Yeltsin has given Bill Clinton on the question of Russian partnership with NATO is just one of the growing symptoms of the fact that a very serious deterioration in U.S.-Russian relations is under way." The "Chechen question" was not so acute then either.

But nobody, of course, was going to backtrack from the planned events in Moscow. A. Gore and V. Chernomyrdin signed a whole series of agreements in the sphere of the economy, science, technology, conversion, and space. In particular, they agreed that in November 1997 Russian Proton launchers would place in orbit a functional cargo module [funktsionalno-gruzovoy blok] developed and manufactured by the Khrunichev State Space Science and Production Center (Moscow)—the funds to develop three units are being provided by the Lockheed Corporation—and so forth.

But, naturally, there were also political dialogues in the process of the visit. The U.S. vice president tried to allay the impression that there is tension in U.S.-Russian relations. Stating that they are "on the right track," A. Gore devoted most of his attention to the problem of the relationship between Russia and NATO, and the U.S. stance on this issue. In particular, he said that he "well understands Russia's concern. Our aim," he said, "is to maintain stability in Europe. The United States and Russia can cooperate in this area, and we are telling you that there are no schedules for admitting new members to NATO [nikakikh grafikov prinyatiya v NATO ne sushchestvuyet]."

But the U.S. side believes, the guest hinted, that, in response, the Russian parliament will soon ratify the START II Treaty, which will enable the U.S. Administration to appear in a good light before its Congress.

The brief, 30-minute discussion with Boris Yeltsin was, of necessity, a purely protocol meeting. As A. Gore said at the subsequent press conference, he had gotten a good impression from the talk. The Chechen question was touched upon, but in the context of Washington's known official positions.

On the whole this, as it turned out, quite difficult working visit for the U.S. vice president can be assessed as an inevitable reaction to the position stated by the Russian president in Budapest—it is impossible to fail to take account of the role of a state like Russia in real politics.

Foreign Ministry Statement on Closed Azeri, Georgian Border

LD2012194694 Moscow ITAR-TASS in English 1915 GMT 20 Dec 94

[FBIS Transcribed Text] Moscow December 20 TASS—Persons (with the exception of those returning home), vehicles, cargo and commodities from Azerbaijan and Georgia will not be admitted in the Russian Federation from Tuesday midnight till a special instruction, reports the Russian Foreign Ministry. [sentence as received]

The Russian leadership has failed to stop violence and bloodshed in the Chechen republic despite repeated attempts to settle the problem with political methods. Illegal armed units not only refuse to lay down arms but also resist to the constitutional authorities, says the ministry's statement. The aforesaid measures will be taken to ensure security of the Russian Federation and implement the Russian law "On State Border".

Air communication with Azerbaijan and Georgia from airports of Ingushetia, Daghestan, Northern Ossetia, Kabardino-Balkaria, the Krasnodar and Stavropol territories, the Astrakhan and Rostov regions and sea communication with these states from the Russian ports on the Black, Azov and Caspian Seas will be suspended.

Border and customs control at the airports and in sea ports open for international air and sea communication of the Russian Federation with the Azeri Republic and the Republic of Georgia will be consolidated.

Air communication and Georgia from Russian airports not open for international flights will be temporarily suspended as well. [sentence as received]

People arriving in international sea ports and airports of Russia from Azerbaijan and Georgia in violation of rules fixed by the Russian Federation will be expelled from the state in the law- established procedure.

Passenger and cargo railroad and car transportation between Russia and Azerbaijan and Georgia will be temporarily stopped.

The Russian Government hopes that these forced temporary measures will be taken with understanding, says the statement of the Russian Foreign Ministry.

Moscow Satisfied With NATO Committee's Final Communique

LD2012175594 Moscow INTERFAX in English 1555 GMT 20 Nov 94

[From the "Diplomatic Panorama" feature: by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and othesr]

[FBIS Transcribed Text] Moscow, Dec 20 (Interfax)—Moscow is satisfied with the "well-thought-out and balanced" wording concerning the plans for enlargement of NATO which the final communique of the meeting of

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the NATO Planning Committee contains. The NATO Military Planning Committee at the level of the NATO defense ministers met in Brussels on December 14-15, the Russian Foreign Ministry's Spokesman Grigoriy Karasin told a briefing in Moscow today.

Karasin said the communique underlined that enlargement of NATO must be of "evolutionist character" and must "contribute to common security."

Karasin stressed that the committee considered enlargement of NATO as a part of "development of larger cooperation for security in the Euro-Atlantic region as a whole."

He said the communique "emphasizes Russia's potential for making a significant contribution to ensuring stability and security in Europe."

Karasin welcomed the preparedness of NATO for developing "practical cooperation" with Russia both within the scope of the NATO Partnership for Peace program and beyond its limits.

Moscow Welcomes UN Resolution on Tajikistan

LD2012195294 Moscow INTERFAX in English 1634 GMT 20 Dec 94

[FBIS Transcribed Text] Moscow, Dec 20 (Interfax)—Moscow welcomes the UN Security Council's resolution adopted last Friday to open a United Nations mission in Tajikistan, although it believes that the number of UN observers in Tajikistan could be far bigger.

"Russia is against double dealing in United Nations practices. It turns out that the UN sends 500 observers to Haiti and a mere 57 to Tajikistan", Deputy foreign Minister Albert Chernyshev said in an interview on Tuesday.

He said that Moscow would continue to press for increasing the number of UN ambassadors in Tajikistan.

Chernyshev said that at his meeting with the UN Secretary General's special envoy Ramiro Piriz-Ballon behind closed doors on Monday the Russian Foreign Minister Andrey Kozyrev discussed measures to arrange for another - fourth round of talks between rival Tajik factions. "It is already clear that the fourth round, scheduled to take place in Moscow at the beginning of this month, will be postponed. The sides simply failed to get ready for it", Chernyshev said.

He believes that at the Moscow round would be devoted to a cease- fire and further settlement efforts in Tajikistan.

Duma Defense Official: Still 'Hope' for Peace in Chechnya

LD2012193594 Moscow INTERFAX in English 1749 GMT 20 Dec 94

[FBIS Transcribed Text] Moscow, Dec 20 (Interfax)—The chairman of the State Duma committee for defense, Sergey Yushenkov, said Tuesday he had put forward "a legislative initiative aiming to make the executive take into account the representative branch of power."

According to Yushenkov, he introduced "two amendments to the Russian Constitution granting controlling functions to the Federation Council and the State Duma and amendments to the existing legislation envisioning criminal accountability for submitting untrue information or evading submitting true information to representative bodies of power.

Yushenkov told Interfax that he was still maintaining contacts with the Chechen administration and Russian deputies in Groznyy. He said he had talked over the telephone with deputy Sergey Kovalev and a number of Chechen officials last night. According to Yushenkov, "there still is hope for a peace settlement of the Chechen issue even today."

Deputy Says Moscow 'Must Improve' Eastern Europe Relations

LD2012181694 Moscow INTERFAX in English 1711 GMT 20 Dec 94

[From the "Diplomatic Panorama" feature: Reports by our diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov and others]

[FBIS Transcribed Text] Moscow, Dec 20 (Interfax)—The deputy head of a Russian parliament committee has complained about the present-day state of Russia's relations with Eastern Europe, which "fails to meet the objective needs of (Russian) society."

Despite "the burden of the mistakes of the past," Russia "can and must improve" those relations, said Oleg Bogomolov, deputy chairman of the International Affairs Committee of the Russian parliament's lower house. Russia and Eastern European nations face similar problems as they carry out their reforms, while Russia needs Eastern European experience in changes "based on democratic principles," Bogomolov said in parliament on Tuesday.

Eastern Europe, for its part, should be attracted by the "proximity and profitability of the Russian market" and interested in reviving economic coordination that existed within Comecon [Council for Mutual Economic Assistance], Bogomolov said.

Russia needs stronger ties with those countries for "strategic" reasons as well, namely it would thereby build up its security, especially because those states "are prone to instability and new hotbeds of tension may arise there," he said.

Moscow Bans Entry of Goods, People From Azerbaijan, Georgia

LD2012173094 Moscow Radio Rossii Network in Russian 1700 GMT 20 Dec 94

[FBIS Translated Text] The Russian Government has announced that from 0000 hours on 21 December,

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admission to the Russian Federation will be suspended temporarily and until further notice for individuals, except those returning to their places of residence, and transport, cargoes and goods from Azerbaijan and Georgia. These measures have been taken to ensure Russia's security in connection with the situation in Chechnya. You can hear more details about the government's decision in subsequent news bulletins.

Cabinet Approves Transborder Trade Accord With Kazakhstan

MK2012150494 Moscow KOMMERSANT-DAILY in Russian 20 Dec 94 p 2

[Report by Grigoriy Selyaninov: "Moscow and Alma-Ata Are Building an Interregional Union"]

[FBIS Translated Text] The CIS countries are taking different paths to an economic union. One option is Russian-Belorussian relations, wherein the ruble zone is to be replaced by intergovernment agreements on a customs union. Another route is being developed by Moscow and Alma-Ata. Here, the basic structures are interregional links. This is evident from a Russian government decree issued yesterday, which approves the draft Russian- Kazakhstani agreement on cooperation between the neighboring republics' border [prigranichnyye] oblasts.

The draft preparation was preceded by more than just one meeting between chiefs of the neighboring oblasts. The prime ministers were also involved in the negotiations. Even by virtue of purely geographical reasons, Russian-Kazakhstani "cross-border" trade affects a substantial part of the two republics' economic relations. Therefore the draft agreement approved by the Russian government refers not to peripheral but central aspects of interaction between Moscow and Alma-Ata.

The agreement supplements the switchover by Russia and Kazakhstan, agreed in principle, to a free trade regime. Furthermore, the point of the agreement whereby the sides will work jointly to remove "obstacles in the way of the movement of goods," can indicate that the existing exceptions from this regime will be abolished starting with border trade. Although it is not quite clear how this can be done on the basis of direct agreements between economic entities of border territories, this principle of addressing outstanding problems is central in the agreement.

At the same time this principle, enshrined by the signatures of the two countries' heads of government, can boost the development of bilateral settlements. The agreement grants entrepreneurs in border areas full freedom of action not only in pricing (except when prices are established from above, including under other intergovernment agreements) but also in choosing the currency of settlements. As a result, one should expect the practice of partners' opening accounts both in rubles and tenge to expand, both in Russia and Kazakhstan. Border area banks will meanwhile step up their operations with these currencies.

Black Sea Fleet Talks Resume as Both Sides Mull Joint Force

MK2012111094 Moscow NEZAVISIMAYA GAZETA in Russian 20 Dec 94 p 1

[Report by Vitaliy Portnikov under the "Fleet" rubric: "Russian-Ukrainian Confidentiality. Another Round of Black Sea Fleet Talks To Be Held in Kiev Today"]

[FBIS Translated Text] Participants in seemingly endless Russian-Ukrainian talks have managed to achieve the main thing: the press, chagrined by a lack of news, details, or clearly discernible progress, has forgotten about them. Against the backdrop of this silence in the mass media, it is easy to talk about successes and understanding and to report real news at a time of emergencies.

Meanwhile, it has transpired from knowledgeable sources close to the Ukrainian delegation that there is no festive mood in Kiev either. People here think that the only thing the two sides have managed to agree on is the way the Black Sea Fleet ships will be divided (although this agreement has yet to be initialed). In the Ukrainians' view, the Russian desire to see Sevastopol as its naval base renders the very existence of a Ukrainian Navy impossible—the uniqueness of Sevastopol's many naval installations is all too evident. Although Kiev does not reject the possibility of Russian ships' being based in Sevastopol, it offers to lease to Russia only installations and facilities that are necessary to accommodate the specific number of ships that will be left in the Russian Black Sea Fleet. As for other installations, Kiev proceeds from the assumption that the Black Sea Fleet's entire coastal infrastructure is Ukrainian property and that Ukraine will only lease installations necessary for Russian basing, assuming that the lease will be limited to the time period Russia would need to build the requisite naval bases on its territory.

Nor has Kiev shown understanding for another Russian proposal—that the Ukrainian Naval Staff be based in Donuzlav, not Sevastopol, seeing this as Ukraine's own affair. Moreover, its consent to the deployment of the Russian Black Sea Fleet Staff in Sevastopol—on Ukrainian territory—is considered here is a concession by Ukraine.

The two sides' approaches to the future of the Black Sea Fleet ground forces are also at variance: the Ukrainian side thinks that servicemen who did not take the Ukrainian oath of allegiance should be withdrawn to Russian territory, while the Russian side insists on splitting the ground forces (including weapons and military hardware), even if the units have taken the Ukrainian oath of

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allegiance and are subordinate to the Ukrainian Defense Ministry. At the same time, Russia insists on a long-time (if not permanent) presence of its forces virtually on the entire territory of Crimea.

A novelty in the Ukrainian stance is its attempt to consider the future of the two fleets being set up on the basis of the former Soviet Black Sea Fleet as that of military formations carrying out coordinated operations. This stance squares to a certain extent with a recent decree by the Russian parliament's upper chamber: passing a decision on retaining a single Black Sea Fleet, the senators appear to have had in mind the possibility of joint operations of the two new fleets, and there have been reports that this approach was discussed with Kiev before the vote took place.

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Political Issues

Yeltsin Appeals to Chechen People

LD2112134394 Moscow ITAR-TASS World Service in Russian 1314 GMT 21 Dec 94

[FBIS Translated Text] Moscow, 21 Dec (ITAR-TASS)—Boris Yeltsin today addressed the inhabitants of the Chechen Republic. There now follows the full text of the document issued by the presidential press service:

"Esteemed inhabitants of the Chechen Republic!

"I want to address an appeal to you today, 21 December. The president of the Russian Federation, the government and both chambers of Russia's Federal Assembly have repeatedly appealed for the illegal armed formations on the territory of the Chechen republic to commence laying downs their arms. Despite this bloodshed and the killing of our fellow countrymen—Chechens, Russians, and citizens belonging to other nationalities—continue in and around the city of Groznyy.

"The Chechen people have become a hostage and sacrifice of the Dudayev regime. Malicious rumors are circulating that deportation and resettlement throughout Russian territory allegedly await the Chechens. It has been planned to stir up fear and hatred in a deceptive way in the population and to push them into opposing the Russian authorities.

"The main task of the federal authority is normalization of life and restoration of legality and law and order in Chechnya. The current rulers in Groznyy do not want this, putting their own mercenary interests above everything else.

"Russian soldiers are not in Chechnya to fight the Chechen people. Their aim is to stop the activity of illegal armed formations on the territory of Chechnya. Morevoer, official representatives of the federal bodies of power reported in good time about the application of the use of force in order not to endanger the peaceful population. The Dudayev leadership bears responsibility for concealing this information or creating obstacles to those who wish to leave the area of military actions.

"As president of the Russian Federation I guarantee that:

- all the civil rights and liberties proclaimed by the Constitution of the Russian Federation will be restored on the territory of the Chechen Republic in full;

- the deportation of the Chechen people will never be repeated under any circumstances ;

- those who have had to leave their homes will be able to return there unhindered;

- all measures will be taken to ensure that the local bodies of authority on the territory of the Republic should start operating as soon as possible;

- the Chechen republic will again become an equal subject of the Russian Federation;

- the Chechen republic will be given economic, social and humanitarian aid to overcome the consequences of Dudayev's regime and restore normal life;

- the people of the Chechen republic will be given the opportunity to decide their own future.

"The surrender of weapons by illegal armed formations was and remains a most important condition for a peaceful solution to the Chechen crisis.

[signed] B. Yeltsin"

Russia's Choice Questions Chechnya Decisions

MM2012164594 Moscow IZVESTIYA in Russian 21 Dec 94 p 2

[Report by Sergey Chugayev: "Russia's Choice May Leave the Government"]

[FBIS Translated Text] It has come to light that the leaders of the Russia's Choice parliamentary bloc have come to the conclusion that the escalation of military actions in Chechnya is forcing them to consider the question of the presence of their party and faction comrades in the government. Thus it cannot be ruled out that, in the near future, First Vice Premier A. Chubays and Ministers Ye. Sidorov, B. Saltykov, and V. Danilov-Danilyan will have to decide with whom to side—the authorities or their comrades in the political struggle. In other words, the switch of Russia's Choice to the opposition will be made official.

Clearly, Ye. Gaydar and his comrades in arms have decided to resort to this serious step as an extreme measure and last chance of persuading the president to change his policy toward Chechnya. Generally speaking the faction's planned maneuver is entirely consonant with the series of actions undertaken recently by members of the lower chamber of parliament against this policy. Actions which could ultimately lead to the recurrence of the crisis in relations between the legislature and the executive. However, the background to this crisis is fundamentally different.

Having initially reacted quite sluggishly to events in Chechnya, the Duma then began to step up the pace considerably. As early as the middle of last week a decision was adopted to prepare a draft law on amendments to the Constitution enabling parliament to monitor [kontrolirovat] the executive's actions. This draft law is already being examined by the relevant committees, as V. Isakov, chairman of the Duma Committee for Legislation and Judicial and Legal Reform, told your IZVESTIYA correspondent. Then the Yabloko faction produced a draft law on the creation of a commission for the settlement of the situation in Chechnya. This document is equally important because it essentially envisages the redistribution of powers between the branches

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of power. Specifically, it proposes that the defense and interior ministries be bound by decisions adopted by the commission's members—deputies of the Federal Assembly. This draft law is due to be discussed at the Duma's plenary sitting 21 December.

There is no doubt that, if the draft law is adopted, the president will block it on the grounds that it violates norms of the Fundamental Law. It cannot be ruled out that the Duma will not succeed in overturning the president's veto. Nevertheless, it has to be noted that the situation of 1992-1993 is occurring again in relations between the president and the parliament.

Despite that, however, this is a completely new situation. In the war with parliament in the past the reformist president relied on the support of reformist deputies, albeit the minority in parliament. Today, however, the alignment of forces is different. At the Duma Council sitting on 19 December, G. Yavlinskiy called for an emergency sitting of the lower chamber on 20 December especially to discuss the draft law on the formation of the Chechnya commission prepared by his faction. Yavlinskiy's initiative was opposed by the Communists, Zhirinovskiy's people, and the Party of Russian Unity and Accord faction. The Agrarians, as always in difficult situations, withdrew into the shadows. Yabloko's initiative was supported by the Democratic Party of Russia, Women of Russia, and Russia's Choice factions and the New Regional Choice group. Thus it is not difficult to conclude that in the Duma today the president can count on the support of the Liberal Democratic Party of Russia and the Party of Russian Unity and Accord factions and several deputies espousing imperial and nationalist views. Deputies like S. Baburin, A. Lukyanov, and N. Lysenko. As for the reformist deputies' associations, including the most moderate ones, they effectively find themselves in opposition to the executive. That same executive which proclaims itself the standard bearer of the reforms.

Consequently the president and the government will henceforth have to pursue reforms without the support of the reformist section of society. Generally speaking the prevailing situation gives grounds for the conclusion that the Chechen crisis has finished off that stage of Russia's historical development which could be called the period of reform from the top down. Starting with M. Gorbachev's advent to power to the present day the state has been the main driving force of reforms. In this period the interests of the top bureaucracy and society coincided. But as recent events in the State Duma show, those interests have ceased to coincide. Contradictions have begun which will intensify as the deadline for the next presidential elections draws near.

Yerin Details Chechnya Crime Statistics

LD2112134894 Moscow INTERFAX in English 1329 GMT 21 Dec 94

[FBIS Transcribed Text] Moscow, Dec 21 (INTERFAX)—Given the current situation, the use of force in Chechnya "was a forced and, it seems, one-time measure which could help to end violence in the republic," Russia's Interior Minster Viktor Yerin declared addressing the Interior Ministry board on Wednesday in Moscow.

Yerin pointed out that "the undertaken tough but necessary measures have stopped the inevitable transformation of the conflict into a bloody battle between criminal groupings in the course of which thousands of innocent people could have suffered." "No coercive measures were undertaken until there existed a hope that the republic's sound forces would prevail and the problem would be resolved by political methods."

According to Yerin, over the three years of Chechnya's isolation from Russia "it has transformed into a completely criminal zone which lives at the expense of robbery, contraband, illegal trade with arms and drugs." For example, over eight months of 1994, as many as 2000 train cars and containers have been robbed at the Groznyy section of the North-Caucasian railroad.

According to Russia's Interior Ministry, every third case of coin forgery comes from Chechnya. In addition, 42 percent of those charged with robberies in the fiscal sphere in the first half of this year, are Chechen citizens.

Yerin reported that hundreds of criminals who committed crimes in Dagestan, Ingushetia, Stavropolye, and other republics, territories, and districts of the Russian Federation some time earlier are hiding in Chechnya. Those groups of terrorists who seized hostages in the Mineralnye Vody airport were trained in Chechnya. In Yerin's words, "field commanders, in the military language bandits and criminals, ruled without any control in Groznyy and other populated centers."

According to several sources, Russia's Interior Forces have lost nine from the start of the operation in Chechnya.

SDPR Remains Confident Despite Split

MK2012114094 Moscow KOMMERSANT-DAILY in Russian 20 Dec 94 p 3

[Report by Natalya Arkhangelskaya: "Social Democratic Spectrum Is Widening"]

[FBIS Translated Text] The sixth congress of the Social Democratic Party of Russia [SDPR], which took place near Moscow over the weekend, made the fact of a split in it obvious: This was the second sixth congress of the same party over the recent one and a half months. Participants in the second sixth congress, however, are facing the future with confidence.

The first sixth congress took place late in October when the left wing of the SDPR proclaimed itself the congress of the entire party, and, having unseated party leader Anatoliy Golov, elected Aleksandr Obolenskiy, former USSR people's deputy, as new leader. The next day

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Obolenskiy's supporters joined the Russian Social Democratic Union [RSDU] of Vasiliy Lipitskiy, who allegedly paid all the expenses in organizing the splitting move. Lipitskiy is directly interested in taking under his wing at least some of the SDPR, because this party has the status of official watchdog in the Socialist International, where he seeks membership for the RSDU with the corresponding moral and material advantages accruing from it. Intoxicated with success, Lipitskiy predicted that SDPR leader Anatoliy Golov would end up empty-handed while the priceless social democratic trademark would pass into possession of the RSDU.

Golov, however, did not end up empty-handed at the second sixth congress. Turning up for the congress were twice as many delegates as there were at the first one, which even failed to secure a quorum. Inspired by Grigoriy Yavlinskiy's message of greetings (Golov is member of "Yabloko"), more than half the party members remained with Golov whom they once more elected their leader. The success of Golov's "mensheviks" was also helped by the actions of Obolenskiy's "bolsheviks" who, on the eve of the congress, broke into the party's headquarters and put a new lock on the door, welding shut the captured territory. As a result of this action, the entire Moscow SDPR organization sided with Golov. As for the RSDU's hopes for Socialist International membership, according to some information, German social democrats who hold sway in it have no special liking for Lipitskiy's party, which reminds them too much of their own headache in the shape of the Party of Democratic Socialism (Erich Honecker's former Socialist Unity Party of Germany).

Karasin Reiterates Chechnya as 'Internal Affair'

LD2012155694 Moscow Mayak Radio Network in Russian 1452 GMT 20 Dec 94

[FBIS Translated Text] Grigoriy Karasin, official spokesman of the Russian Foreign Ministry, summed up world reaction to the Chechen events for Russian and foreign journalists in Moscow today.

[Begin Karasin recording] As regards the reaction of the overwhelming majority of statesmen to the events taking place, the main thing is still the idea that these events lie exclusively within the internal competence of the Russian Federation and are its own internal affair. It is pointed out that the measures being undertaken by the Russian leadership are aimed at restoring the constitutional order on the territory of its own state, and at combating illegal armed formations.

A number of states have voiced concern at possible casualties among the civilian population and bloodshed. It goes without saying that the Russian leadership shares this concern, and most seriously so. The president was compelled against his will to take forcible measures. The prime reason lies in the stubbornness and refusal of the illegal groups to lay down their arms and heed the voice of common sense.

Some statesmen—and I shall say bluntly that they are few in number, but there are such statesmen abroad—are starting to show signs of trying to give the events in Chechnya an international aspect, to internationalize this profoundly internal Russian problem.

The time has come, I think, quite resolutely to warn them against such attempts. We proceed from the fact that there is no international legal document, not a single charter of international organizations which which forbids states from defending the constitutional freedoms and rights of its citizens and from undertaking all necessary measures to fight against lawlessness, banditry, and from restoring law and order on their own territory. [end recording]

Official Comments on Sources of Moscow Terrorism

LD2012203894

[FBIS Editorial Report] Moscow Russian Television Network in Russian at 1725 GMT on 20 December carries the regularly scheduled 9-minute Details Program presented by Sergey Dorenko. Reception is good.

The program looks at the issue of Chechen terrorism on the streets of Moscow. Vyacheslav Gaymanov, identified as a duty officer of a militia department, says that by no means are all those behind acts of a terrorist nature Chechens: many, in fact, he says are from Ukraine, the Baltic republics, and Belarus.

Dorenko notes that the militia has previously stated that Chechen groups are well know in Moscow, and that these groups operate independent from Groznyy influence or orders.

At this point, an unidentified correspondent asks Presidential Economic Aide Aleksandr Livshits if he was personally afraid of Chechen terrorism: Livshits replies that he does not give it any thought. Livshits adds that of course the Chechen conflict is a tragedy and he hopes for some kind of settlement.

Dorenko then adds: "Aleksandr Livshits is sure, in spite of expectations by many observers, that the Chechen war does not necessarily have to throw next year's budget to the wind; that the reforms can go on. Livshits' confidence is connected with today's four presidential decrees on agriculture, the stock market, non- payments, and new benefits to war participants."

Following this Livshits has a few comments on each decree.

Moscow Notes Concern Over Civilian Victims

LD2012151794 Moscow ITAR-TASS in English 1500 GMT 20 Dec 94

[By ITAR-TASS diplomatic correspondents Valery Sevryukov and Vladimir Suprun]

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[FBIS Transcribed Text] Moscow December 20 TASS—The Russian leadership shares concern of a number of states over possible civilian victims in Chechnya in the course of elimination of illegal gangs, head of the Russian Foreign Ministry's information and press department Grigory Karasin told a briefing here today.

He said that the reason for the current situation is the "stubbornness and unwillingness of illegal groups to disarm and listen to the common sense".

Karasin said they proceed from the fact that not a single international-legal document nor a charter of international organizations prohibit states to take all measures against lawlessness and gangsterism and restore order on their own territory in order to protect constitutional rights and freedoms of its citizens.

Kalmykov on Chechnya, Security Council

MM2012150794 Moscow KOMSOMOLSKAYA PRAVDA in Russian 20 Dec 94 p 3

[Interview with former Justice Minister Yuriy Kalmykov by Aleksandr Gamov; place and date not given: "Security Council Votes First and Discusses Later. After His High-Profile Resignation, Justice Minister Yuriy Kalmykov Gives First Interview to Our Newspaper"]

[FBIS Translated Text] [Gamov] Yuriy Khamzatovich, insofar as I am aware, despite being a Security Council member, you were nonetheless not involved in the preparations for the Security Council session at which the question of overcoming the Chechen crisis by force was examined. Just who in that event provided the legal justification for this unprecedented decision?

[Kalmykov] It is hard for me to say who justified this decision "legally"—I can only speculate. When the official Security Council session was held, all the documents had already been prepared and the Security Council members only had to vote—to either adopt or reject the "force option." This very much surprised me. I said—let's discuss things first, I want to speak. But I was told that we would vote first. I again tried to put my view. The president again said—let's vote on it. I had to agree—well, this was the most important point, let's go ahead.... And I voted in favor. So did everyone. And then we started discussing it....

[Gamov] And did the Security Council then support a strong-arm solution without any waverers?

[Kalmykov] Some Security Council members advocated preliminary talks with the Chechen Republic leadership. Primakov, for instance. Shumeyko spoke on this subject. And the president seemed, as it were, indirectly to acknowledge the need for such talks. I was essentially the only one who categorically opposed the force option.

I said that strong-arm action in Chechnya would lead to a partisan war, that a one-day victory might be won but that a long war would then begin and would result in protracted hostilities—after all, the Caucasus is a special region. The president's reaction to this was—that's your personal opinion. I objected that it was not only my opinion, but the opinion of very many people both in Russia and particularly in the Caucasus.

[Gamov] Did Boris Nikolayevich say anything in reply?

[Kalmykov] No. After this I was forced to resign.

[Gamov] What options for a forcible solution to the crisis were raised at the Security Council?

[Kalmykov] Various options were raised—sending troops in, blockading Groznyy, an assault.... All these were part of the initial plans. Although I would not like to talk in detail about the Security Council's work, because I would not then be acting very correctly. This organ is considered secret.

[Gamov] Maybe that's a bad thing.

[Kalmykov] Yes it is—because, you could say, our Security Council has no clear-cut status. It is provided for under the Constitution, but its powers are not defined. Its powers should be defined by a federal law—and we do not have one.

[Gamov] Nonetheless, what does the strong-arm decision adopted by the Security Council and currently being implemented look like from the legal standpoint?

[Kalmykov] To my mind, it does not fall within the framework of the law, because the use of force and a deviation from a normal way of life in general are only possible if a state of emergency is declared. No such state has been officially announced, and therefore merely sending in troops by quoting the Constitution—the claim being, as Satarov said in the Duma, that it has "direct effect"—shows nothing. There is a law on the State of Emergency which is in operation and does not contravene the Constitution. I believe that the adoption by the Security Council of the force option for resolving the Chechen crisis and the steps to carry it out constitute an illegal act.

The direct effect of the Constitution can be used to justify anything you like. The well-known provision that the president acts as guarantor of the Constitution and of citizens' rights and freedoms does not at all mean that he can take any action he considers necessary in a specific situation. The president is the guarantor of the Constitution within the limits of the powers which that Constitution vests in him (Chapter Four). The constitutional list of the president's powers does not include the right to make extensive use of the Army or MVD [Ministry of Internal Affairs] troops to resolve internal problems. This is only possible after a state of emergency has been declared in various territories—which is done with the knowledge and approval of parliament. The Army should not in general be used when domestic problems crop up, although, of late not a single more or less serious conflict situation has been resolved without it.

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[Gamov] You know, what we fail to understand is—under whose leadership are the Security Council plan and the presidential edict being implemented? Yeltsin is in hospital. Chernomyrdin and Soskovets are also far from the "firing line." It is said that the fate of Russia and Chechnya is being decided by the power ministers, or by field commanders. To what extent is this approach justifiable from the legal standpoint?

[Kalmykov] Of course, it's been complete chaos. If you believe the official mass media, the president has been in control of the situation throughout, is meeting with Chernomyrdin and Soskovets, and has chaired a Security Council session. Although first Yegorov and then Soskovets were appointed leaders of the headquarters for carrying out the operation.... All the power ministers are suddenly flying out to the North Caucasus. Of course, the authorities' confusion can be clearly seen in all this....

[Gamov] But just who is in control of the process?

[Kalmykov] Presidential edicts are usually implemented by the government; it is currently represented on these matters by Yegorov, who was unexpectedly appointed vice premier. Although from the formal standpoint everything is normal.

[Gamov] What about the informal standpoint? After all, Yegorov has only been vice premier for a few days....

[Kalmykov] There are many things that I personally find unclear about this too, and many things that I cannot explain. But as a lawyer I would note once again that all the formalities seem to have been observed.

[Gamov] There is a view that Yeltsin has decided to close the Chechen issue once and for all so as to demonstrate his strength. It is said that he very much needs to do this in the coming battle for the presidency.

[Kalmykov] This step has not been very well thought-out in any respect and will have severe consequences for the president, the country—look at how society has been split!—and particularly the North Caucasus region. The leaders of certain national-democratic movements in the Caucasus have informed me that anti-Russian sentiment there has intensified over the past few days. Many national movements which used to be neutral or sometimes even negative about Dudayev are now expressing solidarity with Chechnya and the Chechen people.

You can take different attitudes to Dudayev, but when people talk about a strong-arm solution to the problem or about rocket attacks and bombings, they often forget that they are talking about the fate of hundreds of people and about the most important human right—the right to life. Ultimately, it is a question of the fate of an entire people who have already experienced the methods of Stalinist "educational" influence in 1944.

They also forget about the fate of the Russian servicemen—those young guys who can neither understand nor work out why and for what reason they should give their lives in their own country.

[Gamov] Yuriy Kharazatovich, you are an ethnic Cherkessian, and you know Caucasians, the Caucasus, and the Muslim world well.... How fair are the claims that a "Caucasian war" is beginning or is perhaps already under way?

[Kalmykov] I do not think that we can talk about a Caucasian war starting just now. Because the Caucasus is nonetheless heterogeneous. It is not just a Muslim world—there are various religions, various faiths there.... Yes, there are volunteers in Chechnya from almost all the republics of the North Caucasus. But even that is not evidence of a general Caucasian war, because the situation is currently quite stable and calm in the republics themselves. And people in general do not want a war.

[Gamov] Isn't it too late now to rectify the mistake which, as you have said, the president and his immediate entourage have made in respect of Chechnya?

[Kalmykov] I could, of course, speak out on that score, but I doubt that my recommendations would be heeded.

[Gamov] KOMSOMOLSKAYA PRAVDA is not the Security Council—all views are heeded.

[Kalmykov] In order to rectify the mistake it would be correct above all to withdraw the troops from Chechen territory and to carry out disarmament alongside the troop withdrawal. And to immediately organize a top-level meeting between Chernomyrdin and Dudayev. Because the talks headed by Mikhaylov which have been conducted in Vladikavkaz have not been very productive. This is not the right level. Agreement should be reached primarily at top level rather than by "working commissions." And even then—how could talks be conducted against the backdrop of bloody military action?

The Chechen spiritual leadership and senior elders have arrived in Moscow to attempt to move the situation to a peaceful footing. This means that there is a desire to do so in Groznyy, so is it all up to the center?

After resigning, I met with Dudayev in Groznyy. He stated: "I am ready to meet with Chernomyrdin today and discuss problems without any preconditions." When I arrived I asked Chernomyrdin about this. He said: "I too agree to a meeting." Everyone agrees, but no one is meeting.

We are all concerned about the prospects for Russian statehood. But emerging problems need to be resolved on the basis of a carefully considered and scientifically validated nationalities policy, and with the help of profoundly political ways and means—above all, talks. Talks, talks, and more talks.... Those who believe that political means have been exhausted in Chechnya should leave politics, because they have neither the ability nor the qualities required. No attempt has yet been made to resolve the problems of the Chechen Republic properly by political means, and it is the center that is primarily to

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blame for that. Attempts should be made to resolve them within the framework of the law.

I think that a peaceful, political way to overcome the Chechen crisis is still possible even now.

[Gamov] You know Yelstin pretty well through your work together. Do you think that he could yet abandon the force option?

[Kalmykov] I would very much like the president to review his decision. I would very much like this slaughter to be finally stopped. I just cannot work out why we are sacrificing our country and the lives of hundreds of people—both Caucasians and Russians. After all, they are all Russians!

Prosecutor General on Illegal Chechen Activity

LD2112120494 Moscow ITAR-TASS in English 1145 GMT 21 Dec 94

[FBIS Transcribed Text] Moscow December 21 TASS—"The leadership of the Chechen republic continues to trample underfoot the Russian Constitution and laws as well as human rights and freedoms. Illegal armed detachments continue operations there, and a real threat to state security, territorial integrity, inviolability and sovereignty of the Russian Federation has emerged," says a report by the Russian prosecutor-general's office, received by ITAR-TASS on Wednesday [21 December].

The document reads as follows: "measures taken by the Russian president and the government to restore constitutional legality as well as law and order in the Chechen republic and a humane possibility provided for voluntary disarmament as well as proclamation of amnesty to people who will lay down their arms, were rejected by Dudayev and his followers.

"The stubborn refusal to fulfill legitimate demands of federal authorities and open use of strong-armed methods of countering them led to the bloodshed and deaths among civilians and servicemen fulfilling their duty.

"The prosecutor-general's office of the Russian Federation regards actions by all people heading illegal armed detachments in the Chechen republic and directly participating in them as illegal and states that they will bear responsibility under laws of the Russian Federation."

Duma Passes Media Regulation Drafts

MM2112120194 Moscow IZVESTIYA Russian 21 Dec 94 p 4

[Article by Valeriy Vyzhutovich: "An Impoverished Press Cannot Be Independent. Editorial Offices Awaiting Promised State Support"]

[FBIS Translated Text] Last week the State Duma again passed two documents regulating the activity of the press: an addition to the law "On the Mass Media," and the law "On the Procedure for Coverage of the Activity of Organs of State Power in the State Mass Media."

Both these drafts (one of them, let us remind you, prohibited state organs from acting as founders of press publications) had been previously rejected by the Federation Council. Having subsequently overcome the upper chamber's veto, the Duma resolutely reiterated its intentions, but this was immediately followed by a presidential veto. This came under attack last Thursday. Mikhail Poltoranin, chairman of the Duma Information Policy and Communications Committee, did the following: He removed from the draft law "On the Procedure for Coverage of the Activity of Organs of State Power in the State Mass Media" the article prohibiting organs of state power from acting as founders of press publications and included it as an addition in the law on the mass media. After which both documents were adopted.

So what, the prohibition on state organs of power having press "minions" is hardly going to aggrieve anybody apart from the founders of ROSSIYSKAYA GAZETA (the government) and ROSSIYSKIYE VESTI (the president's staff). But the legislative prescriptions to state television and radio broadcasting and the words "obliged" and "must" ceaselessly repeated in the text of the latter law restore the old relationship from the not too distant past between the press and the authorities. The relationship of a servant subsisting on treasury favors with a capricious master demanding unconditional satisfaction of his desires and whims.

Incidentally, lawmaking practice is also compelling the independent press to seek affluent masters. The Federation Council recently rejected the law "On State Support for the Russian Federation Mass Media and Book Publishing" adopted by the State Duma. The content of this document, however, was not confined exclusively to the creation of a national foundation for the development of the media, to which the freedom-loving press took exception, detecting the unforgettable features of agitprop in the complexion of the "savior" being imposed on it. Of course, our mass media, who have tasted freedom, are not too keen to be on the end of a master's leash, irrespective of whose name is on the signboard. But by its decision the Federation Council simultaneously scuppered the entire "trainload" of tax and customs benefits for the independent press.

According to Section Two of the law, press products, "and also activity to distribute them," would be exempt from value-added tax and the tax "to provide financial support for the most important sectors of the economy." Editorial offices would be spared the payment of customs duties, taxes, and levies connected with the export and delivery of press publications. Newspapers, publishing houses, printing enterprises, television and radio companies, and news agencies would be exempted from paying import duties on imports of paper, printing materials and inks, audio and video information, and manufacturing and engineering equipment. In addition,

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the law did not compel the press to compulsorily sell 50 percent of the foreign currency proceeds from exports of newspaper, magazine, audio, and video products.

All this was rejected.

The law planned the selling of shares in state printing enterprises. The proposal was for 50 percent of the shares to be transferred to the editorial offices and publishing houses, 20 percent to be distributed among the printing workers on the basis of a closed-access subscription, and only 30 percent to be kept in federal ownership. This too was rejected.

Meanwhile the independent Russian press is on its last legs. Budget injections are no help—as in our agriculture, they have a narcotic effect: The more frequent the "fix," the stronger the need for another dose. And not everyone gets something: This year the government allocated 110 billion rubles [R] to support press publications, but meeting all the requests received by the Russian Committee for the Press would require around R1 million. As yet not all the mass media are agreeable to taking money from the "new Russians," who have quickly grasped that control of the press is one of the quickest routes to power, although progress—extremely rapid progress—has undoubtedly been observed here.

It is true that subsidies, which have to be distributed by somebody, are not the best guarantee of press independence. But what the rejected law in fact recommended was for subsidies to be replaced by benefits for all publications, irrespective of political orientation. Article 5 asserted that the press "uses postal, telephonic, and telegraphic communications services at the rates stipulated for budget-funded organizations." Such a benefit would be definitely worth something to IZVESTIYA, for example, which currently pays more than R394 million a month for phototelegrahic services. Likewise many editorial offices housed in federally-owned buildings would not suffer from the envisaged but not legislated provision for rent and municipal services to be charged at the rate for cultural institutions.

The press has been promised a great deal.... At a meeting with Russian press leaders in January Viktor Chernomyrdin gave an assurance that state support would be forthcoming without delay. But throughout the year all we have seen is draft laws on the media being tossed back and forth between the Duma and the Federation Council like a hot potato. There is maybe only one way to end this "ping pong" between the two chambers: To formalize state support for the press through a presidential edict. Yuriy Kazakov, adviser to the chairman of the Russian Committee for the Press, told IZVESTIYA that such a decree is already being drafted.

Journalist Discusses Law

MM2112151194 Moscow ROSSIYSKAYA GAZETA in Russian 21 Dec 94 First Edition p 2

[Interview with Vsevolod Bogdanov, chairman of the Russian Journalists Union, by Sergey Karkhanin under the rubric "Discussing the Draft Law;" date and place not given: "Throwing Out the Baby with the Bath Water. Why the Federation Council Doubted that the Press Needs Freedom"]

[FBIS Translated Text] The stormy events in both chambers of the Federal Assembly connected with the draft law on state support for the press have again brought to mind the well-known tenet of the lawyers of antiquity: "Cui bono?" Vsevolod Bogdanov, chairman of the Russian Journalists' Union, set out his position in conversation with our correspondent.

[Bogdanov] I am quite pessimistic about the situation. It is already clear to everyone that the press is being run today with the help of economic levers because there isn't one newspaper or television channel which can exist without financial support, be it state subsidies or sponsorship. And he who pays the piper calls the tune. Of course, the journalistic community is alarmed at this. At meetings with the president and government leaders we said: The new economic regulations for the press are in the interests of the whole of society engaged in restructuring the country. Society does not need a press which distorts life to suit some financial group, party, or clan of functionaries.

A newspaper or television channel must be dependent only on its readers, viewers, or listeners: More readers means more advertising and higher income. That is why we produced the new law—I would say that this law is the product of every journalist's suffering. However, the law's opponents were able to use the paragraph on the National Fund for the Development of the Press to show that the document is almost subversive.

There was a discussion at the roundtable meeting within the framework of the club of chief editors and everyone, including the representatives of the regions, approved the draft although it has to be said that the paragraph on the fund triggered more debates. On the other hand the public expert analysis carried out within the committees of the Federation Council produced a clear-cut result: It was recommended that the draft be rejected. However, the objections were related specifically to economic benefits—taxation, foreign currency financial regulation, the privatization of enterprises, and customs duties.

I have one point to make about that: The Federation Council has thrown out the baby with the bath water on this occasion. The essential point of what is a vitally important problem for journalists was overlooked in a struggle that was to do with politics or politicking.

Meanwhile, printing houses in the regions are being floated and privatized now and journalists have an ever diminishing chance of moving from the position of hired hands to owners. However, this political and economic chaos in the press market benefits many parties and financial groups because the election campaign is beginning. And if you give the press financial independence it

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will be considerably harder to use the newspapers and television service for propaganda.

The new leadership of the Russian Committee for the Press is promising to create corporations for journalists and then introduce amendments and laws. So that will take at least another six months. And do we have guarantees that the amendments will be adopted then? In this instance we, the journalists, are also culpable: We should have shown solidarity and common sense and take a firm stand. Especially since we know that the majority of editors in the regions support the draft.

The path via the press market was inevitable for us. But it is necessary to move more quickly toward a different phase, such as exists abroad where it would be a matter of shame for any newspaper to be accused of belonging to this or that party or financial group. That kind of thing always means a political scandal. We, on the other hand, are still debating whether the press needs freedom.... In my opinion that is a very alarming sign.

Economic Issues

State Imposes Greater Control on Oil Companies

MK2012121094 Moscow KOMMERSANT-DAILY in Russian 20 Dec 94 pp 1, 9

[Report by Leonid Proshin and Aleksandr Davydov: "Companies Have Been Unduly Persistent in Claiming Independence"]

[FBIS Translated Text] In the Russian economy, affected by a general decline in production, the fuel and energy complex represents a relatively stable group of sectors. Within it, the oil industry is the least monopolized and most advanced down the path of privatization. This is why the clashes of interests around it among various state and commercial structures are the most perceptible, which is borne out by the more than six-month-long preparation of a presidential edict on streamlining oil companies' activity. Yesterday KOMMERSANT-DAILY came by a document graphically illustrating the ups and downs of these struggles.

The presidential edict on the oil companies should expand on the fuel and energy complex corporatization edict of two years ago, and, conceptually, mark the beginning of a new stage in the privatization of the oil complex. As a basic point of departure at this stage, it is proposed to define the industry's final structure in the form of a certain number of holding companies, which should constitute the basis for further development of the branch: reorganization of holdings as full-fledged vertically integrated companies, and their subsequent privatization. The edict drafting process began to skid, however, precisely on the definition of the structure. In particular, proposals on the structure of the Russian National Oil Company envisioned under the edict, which have come from the Rosneft state production company, go beyond the role assigned it in the draft edict: to be a "nurse" for enterprises which have not associated with any of the vertically integrated companies. The proposed structure either overlaps the structure of existing companies (Purneftegaz and Sidanko), or breaks into the ongoing privatization process (Permneft and Lukoil), or does not cover the enterprises which "merit" the attention of the government agency company (the Norsi joint stock company).

Recently government officials and mass media have been persistently bandying about the idea that the oil complex is the initiator of arrears. A number of experts do not rule out that this idea may also be a reflection of struggles around the edict. Very indicative in this respect is a letter from Sergey Belyayev, general director of the Federal Administration on Insolvency (Bankruptcy), to the Russian president "On a System of Management and the Financial Condition of the Oil Complex," which is at KOMMERSANT- DAILY's disposal. Based on a survey of approximately 100 enterprises, the author says that they have lost their assets in working capital, and the sector has become a major borrower, "depressing" the activity of other branches. Blame for this is put on enterprise managers and the lack of state regulation mechanisms, in which connection it is proposed drastically to reform the norms of administrative and economic regulation of the sector, with its subsequent privatization and reorganization, involving large commercial structures in the process.

Belyayev's letter has caused concern in oil companies. Thus, Yukos First Vice President Viktor Ivanenko expressed amazement that such serious generalizations about the companies' financial activity are made without taking their opinion into account, and with an obvious bias. In particular he said that this past April Yukos extended an interest-free commodity credit (oil products) from its working capital to the agrarian sector for the harvest campaign to a sum of 145 billion rules, approximately 100 billion of which has not been repaid to date. According to Lukoil Vice President Leonid Fedun, the biased appraisal of the situation contained in the letter may be aimed at limiting the companies' independence. He said that Lukoil, having spent considerable efforts and funds, is effectively prepared to issue its shares on the Russian and the world stock markets, but this entire work could be nullified by a strengthening of the state's regulating role because investors are ready to invest funds only in independent companies.

The most obvious conclusion suggesting itself from reading this document is that privatization of the oil complex should be suspended: Without this it is hardly possible drastically to reform management of the fuel and energy complex. It is superfluous to talk about the consequences this will have for the emerging oil stocks markets. One should also pay attention to the intention to involve "large commercial structures" (read, banks) in the reform. In practice this could mean a redivision of property in favor of those who have so far had no access to the oil hole.

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Yeltsin Signs Securities Market Edict

LD2012221994 Moscow ITAR-TASS World Service in Russian 1638 GMT 20 Dec 94

[FBIS Translated Text] Moscow, 20 Dec (ITAR-TASS)—Today Russian President Boris Yeltsin published the edict "On certain measures to streamline activity on the Russian Federation's securities market." The text circulated by the Russian president's press service reads:

"On certain measures to streamline activity on the Russian Federation's securities market.

In order to ensure the interests of investors and economic subjects engaged in entrepreneurial activity on the Russian Federation's securities market, I decree:

1. To establish that the Federal commission for securities and stock market under the government of the Russian Federation has the right to issue temporary (until 1 March 1995) permits to engage in entrepreneurial activity on the Russian Federation's securities market to legal persons engaged in such activity on the date of issuing this decree without license and who applied for it to the relevant bodies.

2. To establish that temporary permits to engage in entrepreneurial activity on the Russian Federation's securities market are issued to legal persons who have submitted balance sheets and documents substantiating the possibility of obtaining the relevant licence to the Federal commission for securities and stock market under the government of the Russian Federation.

The Federal commission for securities and stock market under the government of the Russian Federation has the right to withdraw early the temporary permit in the event if the relevant legal person violates the legislation of the Russian Federation.

3. The edict comes into force on the day it was signed."

Livshits on Yeltsin's Reform Decrees

LD2012205394 Moscow ITAR-TASS in English 2023 GMT 20 Dec 94

[By ITAR-TASS correspondent Alexiy Filatov]

[FBIS Transcribed Text] Moscow December 20 (TASS)—Russian President Boris Yeltsin signed a package of economic decrees on Tuesday, which is aimed, first and foremost, at intensifying the reforms, Yeltsin's adviser on economic issues Aleksandr Livshits told a moscow press conference.

Commenting on Yeltsin's decree on particularities in privatization of certain agro-industrial enterprises, Livshits emphasized its great significance as a tool for eliminating monopolism which had prevailed in the field of processing agricultural produce and agrarian services so far.

According to the decree, relevant enterprises will be transformed into open joint stock societies, thereby the part of stock, which will be put on sale, will be distributed among suppliers of raw agricultural produce.

Touching on the decree "On Certain Measures Aimed at Regulating Activities on Securities Market", Livshits recalled the deadline for getting Licenses enabling Russian companies to engage into professional activities on this market was originally set for January 1, 1995.

However, some financial companies are failing to do it in due time for a variety of reasons. That is why the president decided to prolong the deadline till March 1, 1995, and to give out meanwhile temporary licences for activities on the securities market, he said.

I believe that Russian financial companies will praise the move, Livshits said.

The president's economic adviser also spoke at length about Yeltsin's decree on giving further material support to certain categories of participants in the Great Patriotic War (1941-1945) and widows.

Government Tracks 6-13 Dec Inflation Trends

MM2112113594 Moscow ROSSIYSKAYA GAZETA in Russian 21 Dec 94 First Edition p 3

[Report based on figures from the Russian Federation Government Center for the Economic Situation's Price Analysis and Forecasting Administration: "Week's Prices: 6-13 December. Our Chicks Cannot Stand This"]

[FBIS Translated Text] Inflation remained relatively high in the first half of December. It was 3.1 percent over the past week and has reached 6.7 percent in less than half a month. The biggest price growth, once again, was for foodstuffs (up 4 percent), while the smallest risers were nonfood goods (up 2.6 percent) and paid services to the population (up 1.2 percent).

The biggest increases in prices for goods and services were recorded in cities in the Central Region, where foodstuffs were up 4.7 percent over the week. The smallest increases, as was the case a week ago, were to be found in consumer prices in the Far East Region—up 2 percent.

Price growth for basic foodstuffs, nonfood goods, and services in Moscow was considerably higher than the Russian average—at 5.5 percent. There was a particularly marked increase in the price of food over the week (up 8 percent), while nonfood prices were up 2.9 percent. Rates for services remained practically unchanged.

In St. Petersburg prices for consumer goods and services increased on the whole by 3.3 percent over the past week. The overall increase in the cost of goods and services in Moscow and St. Petersburg since the start of the month has been running considerably ahead of the average Russian level—at 10.5 and 7.5 percent respectively.

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Food prices at markets rose faster last week. Whereas foodstuffs in the stores were up by 3.9 percent, they increased by 5.3 percent at markets. Prices of all foodstuffs increased. But particularly for butter—up almost 14 percent over the week. It has increased by 32 percent since the start of the month, is up by 120 percent in the past six weeks, and the average price in Russia had reached R11,289 as of 13 December. Among the other foodstuffs surveyed attention is drawn to the substantial price growth in dairy products—up by 6.3 percent over the week and by more than 15 percent since the start of the month. Moreover, vegetable oil has increased by 5.5 percent over the past week, while groats, pasta products, eggs, fruit, and vegetables are up by 4-5 percent. Against the backdrop of this very tangible increase in food prices as a whole, bakery products increased less than other products—by 1.3 percent. In stores in Omsk milk more than doubled over the week, soured cream was up almost 60 percent, butter was up more than 30 percent, and potatoes were up 20 percent.

The average cost of the basket of 19 of the most important foodstuffs was R96,000 calculated on a monthly basis as at 13 December, and R120,000 at market prices.

The gap between the maximum and minimum prices of a number of goods whose prices continue to be regulated by local administrations in certain regions is gradually narrowing in certain Russian cities. Thus, the differential in gasoline prices in mid-December had fallen from 400 percent to 250 percent compared with late October. Minimum prices had increased, whereas maximum prices remained at their former level. For instance, the minimum gasoline prices recorded in October in the cities of Salekhard, Rubtsovsk, Tomsk, Tambov, and Tayshet had increased by 30-90 percent by mid-December (from R235-275 to R340-480). The leader among the economic regions when it comes to gasoline prices is the North Caucasus Region, where the average price is R747.

The lowest gasoline prices were recorded in cities in the Central Chernozem and Urals Regions, as well as in Western and Eastern Siberia, where there has been more price regulation than in other economic regions.

Leading Cities In Terms of the Cost of the Basket of 19 of the Most Important Foodstuffs in 1994 (rubles per person per month)

Cities	13 December	Position at 6 December
For Russia As A Whole, including:		
Maximum Cost of Basket	96,024	n/a
Yuzhno-Sakhalinsk	234,566	1
Magadan	222,227	3
Nakhodka (Maritime Kray)	198,493	2
Petropavlovsk-Kamchatskiy	195,545	4
Vladivostok	183,670	5
Minimum Cost of Basket		
Ulyanovsk	45,736	1
Gornyak (Altay Kray)	61,050	2
Yelets (Lipetsk Oblast)	63,893	5
Nalchik	64,010	3
Belgorod	65,316	4

Government Provides Jan-Sep Investment Figures

MM2112100594 Moscow ROSSIYSKAYA GAZETA in Russian 21 Dec 94 First Edition p 2

[Unattributed report: "Foreigners Invest 2 Percent"]

[FBIS Translated Text] Total foreign investment in the Russian economy in January-September 1994 was 76 billion rubles [R] and $768 million, and 74 percent and 92 percent of these sums respectively have been channeled into production sectors. This was stated in a report obtained yesterday from the Russian Federation Government's Center for the Economic Situation. Foreign investment accounted for around 2 percent of total capital investment in the national economy.

Foreign-currency investment was mainly channeled into the extraction sectors of industry. Thus, in January-September 1994 the proportion of foreign-currency investment in fuel and energy sectors was up almost 150 percent on the same period last year—from 25 to 63 percent—as opposed to a decline in investment in machine building (from 17 percent to 3 percent) and in construction (from 11 percent to 4 percent).

Total ruble investment in comparable prices almost trebled.

Central Bank Drafts Monetary, Credit Policy

MM2012122794 Moscow KOMSOMOLSKAYA PRAVDA in Russian 20 Dec 94 p 2

[Article by Vasiliy Ustyuzhanin: "Black Piggy Bank: Central Bank of Russia Draws Up Draft Basic Guidelines for Monetary and Credit Policy in 1995"—from the DELOVOY VTORNIK section]

[FBIS Translated Text] It is a mixture of optimistic and pessimistic forecasts. The optimistic forecasts include the prediction that in 1995 there will be a considerable slowdown in the economic slump. In industry, for instance, it will be just 15 percent of the 1994 level. The greatest stabilization will be in nonferrous metallurgy and in the chemical and petrochemical industries. The inflation rate will slow to a range of 1-5 percent a month.

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The Central Bank believes that its forecast reflects trends which will not exacerbate crisis phenomena.

Now to turn to the pessimistic forecasts.

Unfortunately, the baleful influence of the West and, in particular, the situation in the international financial sphere, will, as usual, have a substantial impact on the Russian economy. The United States and most EU countries will enter 1995 in an economic growth phase. This will have an impact on the correlation of supply and demand in the world market. In particular, competition from the Western countries and the countries of the ASEAN region in traditional and new export markets for Russia will increase. The consequences for us will most probably be bad—demand for and prices of fuel and raw materials will change (that is, fall) and competition on the foreign investment market will be exacerbated.

Sadly, unemployment will continue to rise. Its potential was already around 10 million in 1994 (around 13 percent of the able-bodied population) and in 1995 hidden unemployment will most probably become open unemployment. We would recall that officially there are currently sightly less than 5 million unemployed. Nonetheless, the Central Bank believes that, despite this, citizens' real incomes will continue to grow.

One other positive forecast will also do little to gratify Russia's inhabitants. Russia's foreign trade will remain in the black in 1995. In other words, we will be exporting more than we import. This is usually possible when supply inside a country exceeds demand. Unfortunately, this is clearly not the case for us. At a time when production is falling at an unprecedented rate and inflation is increasing, when export prices and the ruble's buying power vis-a-vis the dollar are falling, Russian exporters (mainly of raw materials) will have simply ideal opportunities to make excess profits—even if they sell their goods at below world prices. Ultimately it is a sad situation: While experiencing shortages ourselves, we will be exporting resources and building up imports—mainly of noninvestment goods (foodstuffs and consumer goods). So Russia is becoming a donor-cum-creditor of other countries.

[Central Bank of Russia Acting Chairman] T. Paramonova's department is convinced that it will not be possible to cover the state budget deficit by borrowing on the financial markets. Consequently, it is recommending that the growth in state debt be converted into state securities, some of which the Central Bank of the Russian Federation will be able to acquire for its own assets. And, importantly, these can only be high-quality state securities issued on market terms. This measure will make it possible to siphon off commercial banks' surplus reserves through operations on the open market. The Central Bank is clearly treading on the Finance Ministry's toes in this area.

The fact is that the government intends to eschew Central Bank credits when it comes to funding the state budget deficit. It will be funded by the Finance Ministry out of internal resources—specifically, through sales of state securities and foreign loans. The Central Bank considers this step to be unrealistic. The measure proposed by the Finance Ministry—of issuing treasury bonds worth 35 trillion rubles [R] to cover the debt—could lead to unregulated money-supply growth. The Central Bank immediately admits that if securities are issued on nonmarket terms, then it will not be able to rediscount treasury bonds.

In the sphere of foreign currency policy the Central Bank is proposing to maintain the system of a floating ruble. The Bank is planning to abandon the link between the official ruble rate and the results of trading on the Moscow Interbank Currency Exchange. The official rate will be calculated on the basis of quotations in all segments of the foreign exchange market. But the Central Bank has given an assurance that it will not give up intervention on the foreign exchanges to prevent any further "Black Tuesdays."

The draft federal budget envisages that federal budget expenditure for 1995 will come to R216.3 trillion, or 22.6-23.4 percent of GDP. Revenue will be R144.2 trillion, or 15.2-15.65 percent of GDP. The maximum level of the deficit is planned to be R72.1 trillion, or 7.6-7.8 percent of GDP. During the year the Central Bank will strive to limit its activity in the financial market to the functions of lender of last resort.

The Central Bank is proposing three versions of its monetary program. A moderately tough version, aimed at achieving inflation of 4.4 percent by December 1995. A tough version aimed at 3.3-percent inflation. And an extremely tough version aimed at 2.3 percent. The bank is prepared to enact any version and will in any event not give up its strict control of the money supply. Tatyana Paramonova "and co." express confidence that overall demand for money will increase in 1995. That is no bad thing. And, God willing, we should probably be able to survive another year.

Experts Urge Macroeconomic Stabilization

MK2112105494 Moscow SEGODNYA in Russian 21 Dec 94 p 2

[Report by Mikhail Lantsman under the "Prognosis" rubric: "Center of Reforms Predicts Stabilization of Production if the Government Shows Determination in Combating Inflation"]

[FBIS Translated Text] The Working Center of Economic Reforms under the Russian Federation government has published a pre- Christmas review of the Russian economy for the previous month. The industrial production slump in Russia, according to data contained in the study, has already bottomed out. In November, according to the State Committee on Statistics, the seasonally adjusted index of industrial production grew by 2 percent against October. The physical volume of

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production, while it remains 40 percent below the pre-reform level, is nonetheless 7 percent higher than that of August. The consequences of the slump in production continue to have a weak effect on the growth of the number of unemployed, whose total number in October was recorded at 6.5 percent of those employed in the national economy; with 2 percent of those employed being on forced leaves. In the view of the Working Center experts, if the government takes a number of decisive measures aimed at macroeconomic stabilization in the coming 2 to 3 months, one can forecast that the positive tendencies in production will become irreversible by the end of 1995.

In the meantime, the high rate of inflation—14 percent—continued in November. Prices went up 3.9 percent during the first week in December. The money base (cash in circulation, Central Bank credits, commercial bank deposits) was up 5 percent in October and 8 percent in November. The future growth of the money supply will depend on how austere the 1995 budget is.

Bringing down the high rate of inflation, Professor Richard Layard of the London School of Economics noted in yesterday's press conference, would make it possible for the Russian government to introduce a fixed ruble exchange rate which would appreciably boost the population's and manufacturing industries' trust in the national currency. In the process, however, the Central Bank would have to renounce the traditional methods of regulating the money supply by injecting credits. The only mechanism of control over the money supply under a fixed ruble exchange rate is to buy up "excess" money using hard currency reserves. The Central Bank hard currency reserves, according to Mr. Layard, now amount to $6 billion. A stabilization credit which Russia may be getting from the IMF, if the Central Bank shows readiness to pass over to new methods of monetary control, also stands at $6 billion. Twelve billion, Mr. Layard thinks, would be sufficient to cover two-thirds of the ruble supply.

Federal Assembly

Duma Council Outlines Moves to Resolve Chechnya Conflict

LD2012151894 Moscow INTERFAX in English 1409 GMT 20 Dec 94

[FBIS Transcribed Text] Moscow, Dec 20 (INTERFAX)—The leaders of the State Duma believe that the potential of negotiations and chances of achieving a political settlement to the Chechen conflict have not been exhausted yet. However, only the "immediate disarmament of illegal armed detachments and the release of Russian servicemen taken prisoner" could confirm that Jokhar Dudayev and his supporters seek to resolve the conflict by peaceful means, the council of the lower house of the Russian Parliament said after meeting in session in Moscow on Tuesday.

The State Duma Council says that in return the Russian Federation would guarantee immunity from criminal prosecution to those who lay down arms, in keeping with the State Duma's amnesty resolution, effective and appropriate economic assistance to the Chechen republic and democratic elections monitored by Russian and foreign observers.

The State Duma Council said it would be expedient to invite Chechnya's Council of Elders, enjoying great authority among the peoples of the Caucasus, to take part in settling the conflict in Chechnya.

Duma Refuses To Examine Proposal on Chechnya Settlement

LD2112093694 Moscow ITAR-TASS World Service in Russian 0917 GMT 21 Dec 94

[By ITAR-TASS parliamentary correspondents Pavel Kuznetsov and Ivan Novikov]

[FBIS Translated Text] Moscow, 21 Dec—The Russian State Duma has refused to examine a draft law "On delegations to settle the armed conflict in the Chechen Republic", proposed by members of the Yabloko group. The leader of the group, Grigoriy Yavlinskiy, said this in a statement circulated today to journalists in the State Duma.

The decision of the Duma not to examine the draft law was taken today at a closed sitting. Grigoriy Yavlinskiy noted that "the statement of representatives of the majority, who failed even to put the question to the vote in the Duma, that they are against war and in favor of talks has turned out to be a political trick."

Yabloko Bill Rejected

LD2012213494 Moscow ITAR-TASS in English 1954 GMT 20 Dec 94

[FBIS Transcribed Text] Moscow December 20 TASS—A draft federal law "on delegations to settle the armed conflict in the Chechen republic" submitted by the Yabloko faction was rejected by the State Duma Council today.

Faction representatives think "there is no need to adopt the law" bearing in mind the Duma resolutions on Chechnya give a possibility to settle the Caucasian crisis, says a report of the Duma press service.

Official Interviewed on Government Debt to Armed Forces

LD2112114594 Moscow ITAR-TASS in English 1127 GMT 21 Dec 94

[By ITAR-TASS parliamentary correspondent Pavel Kuznetsov]

[FBIS Transcribed Text] Moscow December 21 TASS—The Russian government's outstanding debt to the army this year has exceeded the country's total quarterly

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outlays for defence, according to Aleksandr Piskunov, deputy chairman of the State Duma's Defence Committee.

Piskunov was speaking to ITAR-TASS during a break in the Duma's plenary session held behind closed doors on Wednesday morning to discuss the proposed defence budget for 1995.

Piskunov, who earlier addressed the Duma on behalf of its Defence Committee, said he had outlined the prospects for the armed forces, should the budget-95 be approved as proposed by the government.

He stressed that the army would then receive 45 to 47 percent less in budget allocations than in 1994, which will entail the need to radically cut the forces.

With this in mind, Piskunov proposed adopting a Duma resolution calling on the government to add the sum of its 1994 debt to the army (10.8 trillion roubles) to the amount earmarked for defence in its proposed budget for 1995.

More on Federation Council's Black Sea Fleet Decree

MM1912132994 Moscow KRASNAYA ZVEZDA in Russian 17 Dec 94 p 1

[Report by ITAR-TASS correspondent Lyudmila Aleksandrova: "Federation Council Proposes Preserving Black Sea Fleet in Interests of Russia and Ukraine"]

[FBIS Translated Text] Moscow, 16 Dec—The proposal made by officers of the Black Sea Fleet and the Ukrainian Navy for a change of approach to the problem of the Black Sea Fleet and for efforts to preserve the fleet as a single formation operating in the interests of Russia and Ukraine instead of its being divided up was reflected in the decree "On the Black Sea Fleet," adopted today by the Russian Federation Federation Council.

The Federation Council has decreed that the proposals for the Black Sea Fleet to be preserved as a single operational-strategic formation operating in the southwestern maritime sector in the interests of Russia and Ukraine be given support.

The decree proposes the principle of preserving a unified Black Sea Fleet as the Russian side's position when a Russian-Ukrainian agreement on the Black Sea Fleet is concluded.

Regional Affairs

Roundup of Latest Chechen Developments

MM2112093394 Moscow TRUD in Russian 21 Dec 94 p 1

[Unattributed report: "News Items"]

[FBIS Translated Text] Over the past 24 hours, Russian Vice Premier Nikolay Yegorov, the Russian Federation president's plenipotentiary representative, said, the Russian subunits which entered Chechnya from the direction of Mozdok eliminated a stronghold located near the population center of Dolinskiy, 10 km from Groznyy, and took the population center of Kero-Yurt. Bombing and artillery strikes against bandit formations' strongholds resulted in the destruction of six tanks, 10 armored personnel carriers, one antiaircraft gun, and other combat hardware. Air strikes put out of commission some of the television broadcasting installations in Groznyy. One of the Dudayev forces' munitions dumps was destroyed, as were five L-29 and L-39 aircraft under cover at Khankala airfield. In Groznyy the Chechen State Security Department building was blown up. A Grad launcher, two artillery pieces, and an antiaircraft gun were detected and destroyed near the population center of Petropavlovskoye.

The vice premier pointed out that Dudayev's attempts to recruit mercenaries for large remuneration in neighboring Dagestan are not meeting with support.

Dudayev's press service maintains that official Groznyy has always advocated and continues to advocate the peaceful resolution of disputed issues.

But, as Nikolay Yegorov, the Russian Federation president's plenipotentiary representative in Chechnya, emphasized, "no one intends to conduct any talks with Dudayev anymore, until all the bandit formations have been completely disarmed."

At a rally in downtown Groznyy yesterday it was reported that Valentin Sergeyev, leader of the Russian Government Press Service, has been sentenced to death.

Yesterday the Russian Government adopted a decision on the Internal Troops' redemption of weapons from the population of the Chechen Republic.

The Russian servicemen carrying out tasks of disarming illegal formations in the Chechen Republic are provided with all they need for a stay under field conditions, a spokesman for the Russian Federation Ministry of Defense declared. He pointed out that all subunits have field kitchens at their disposal, and servicemen regularly receive hot food three times a day. To improve the ration, provision has been made to fill the menu with high-calorie products. They are being delivered in a planned manner and in strict accordance with the increased messing norms that have been set. Under conditions of low daily temperatures every subunit has special heated tents. Normal room temperature is maintained in them, and off-duty shifts have an opportunity for full-value rest after fulfilling tasks.

The Russian Federation Government Press Service yesterday carried a report which reads, in part:

At 1000 hours this morning a routine conference was held under the chairmanship of Viktor Chernomyrdin to

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analyze the situation in the Chechen Republic and adjacent regions of the North Caucasus. Members of the government, members of the Security Council, representatives of the Russian Federation Presidential Staff, and also Federation Council Chairman V. Shumeyko participated in the conference.

The conference participants noted three new turning points characteristic of the situation:

Troops of the Russian Federation MVD [Ministry of Internal Affairs] and Defense Ministry have started acting more decisively. The tactic of operating at nighttime came as a surprise to the gunmen. Their losses have increased significantly. During the night 15 units of combat hardware and 10 artillery mounts belonging to illegal formations were destroyed. Units of the Russian Armed Forces came really close to Groznyy in the northern, northwestern, northeastern, and eastern salients. The "corridor" in the southern salient is gradually being closed.

A large number of illegal armed formations are preparing to pull back to prepared bases and strongholds in the mountains (southern salient).

The local population—above all, the Chechen population—has sharply stepped up its protest against the Dudayev regime and the thefts and looting. The Groznyy leadership is extremely concerned that its expectation of support from the population intimidated by it has failed.

In the course of today the Russian troops will continue making rocket and bombing strikes against the most important targets and carrying out decisive offensive operations.

Chechen Spokesman Says 120 Killed in Overnight Bombings

LD2012142094 Moscow Radiostantsiya Ekho Moskvy in Russian 1400 GMT 20 Dec 94

[FBIS Translated Text] One hundred and twenty civilians were killed in Groznyy as a result of the three bombing raids last night—these are the confirmed figures given to Moscow Ekho radio station by Movladi Udugov, head of the Chechen press department. He denied the Russian government's allegations that panic has taken over in Groznyy.

Chechen Figures Say Dudayev Ready for Talks

LD2012151094 Moscow INTERFAX in English 1508 GMT 20 Dec 94

[FBIS Transcribed Text] Moscow, Dec 20 (INTERFAX)—Chechen Mufti Mukhammad-Hussein Alsabekov and Chairman of the Chechen Elders Supreme Council Said-Akhmed Adizov, in an interview with INTERFAX, said that Dzhokhar Dudayev "is prepared to enter talks with Russian senior leaders".

They believe that Dudayev would agree to talks with a delegation which would be led by member of the Federation Council, Ingushi President Ruslan Aushev, as was proposed by the Duma YABLoko faction. Neither of them ruled out the possibility of Dudayev's participation in talks with other politicians, who "are have no connection to the hostilities against the Chechen people." They said, however, that they express their own opinion on this score.

They said that they had met recently with State Duma speaker Ivan Rybkin, leader of Russia's Choice faction Yegor Gaydar, leader of the Russian Party for Unity and Accord faction, Deputy Russian Prime Minister Sergey Shakhray, Chairman of the Duma Defense Committee Sergey Yushenkov and other parliament deputies. They also met with Patriarch of Moscow and All Russia Aleksey II and Russia's Mufti Ravil Khazrat.

PRES Statement Urges Support for Troops in Chechnya

LD2012160194 Moscow ITAR-TASS in English 1547 GMT 20 Dec 94

[FBIS Transcribed Text] Moscow December 20 TASS—"In the present situation the aim of units of the armed forces and interior troops of Russia stationed on the territory of the Chechen republic, is to establish constitutional legality, and law and order, defend life and guarantee political and socio-economic rights of Russian citizens on the territory of Chechnya, preserve unity and territorial integrity of the Russian Federation, and terminate the activities of Dzhokhar Dudayev's illegal regime and armed rebel troops," a statement by the party of Russian Unity and Accord faction says. This document was received by ITAR-TASS today.

The party of Russian Unity and Accord faction, the statement stresses, sees a way out of the present complex situation in Chechnya in the following:

"It is necessary to support efforts of subunits and units of the armed forces and interior troops of Russia carrying out their military duties and being under protection of the constitution and laws of the Russian Federation;

The executive power is bound to take all measures to terminate the activities of Dudayev's regime;

With the aim of avoiding new casualties it is necessary to use the last possibility—to discuss with Dudayev terms of disarmament of rebel units and termination of his regime's existence;

To begin restoring legal bodies of power and management in the Chechen republic".

Ambulance Helicopter Shot Down in Chechnya

LD2012162894 Moscow Ostankino Television First Channel Network in Russian 1552 GMT 20 Dec 94

[From the "Novosti" newscast]

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[FBIS Translated Text] An ambulance helicopter carrying military doctors was downed by fire from the ground at the north- eastern outskirt of Groznyy today while the helicopter was getting ready for landing. The helicopter had been called in to evacuate Yuriy Strukov, commander of a company of seriously wounded Ministry of Interior troops. As a result, military doctors Major Pokhlebin and senior lieutenant Yermolov and a member of the crew have died, the provisional information center has reported.

More on Yegorov Meeting With Dagestan State Council

LD2012165694 Moscow ITAR-TASS in English 1623 GMT 20 Dec 94

[By ITAR-TASS special correspondent Mikhail Shevtsov]

[FBIS Transcribed Text] Makhachkala December 20 TASS -A Makhachkala visit of Russian Vice-Premier Nikolay Yegorov and Head of the Russian Federal Counter-intelligence Service Sergey Stepashin aims to free Russian interior troopers taken hostage on December 11 in the area of Khasavyurt, Daghestan. A meeting of the Daghestan State Council focused today on this problem.

State Council Chairman Magomedali Magomedov said there is no organized recruitment of Daghestan people to fight in Chechnya. He said it is inadmissible to involve the Daghestan people in the Chechen conflict and denounced the activities of some extremist- minded Chechens from the Khasavyurt region. Magomedov called on leaders of Daghestan public-political movements to abstain from any actions that may destabilize the regional situation.

Magomedov demanded that the local Chechens and the Khasavyurt administration free the Russian servicemen taken hostage on December 11 and noted that the Russian Army and interior command kept their promise not to introduce troops in Chechnya via Daghestan.

There is no precise information on the number and location of servicemen taken hostage on December 11. Some say that six officers and two soldiers are kept in Groznyy. Criminal proceedings have been instituted on this case, and nine Chechens, including two staffers of the Chechen security department, have been arrested on suspicion of their involvement in the crime.

The Daghestan State Council denounced the hostage-taking action and noted unsatisfactory activities of the organizational committee of Daghestan Chechens and the Khasavyurt administration to reveal the location and free the Russian hostages.

The council meeting said that over 23,000 refugees came to the republic from Chechnya as of December 19. Some 20,000 of them are staying in the Daghestan Khasavyurt region.

Daghestan has toughened the border regime for a month bearing in mind the grave situation in Chechnya. Border troops and units of the Russian Interior Ministry have closed the administrative border between Daghestan and Chechnya and the state borders between Russia, Azerbaijan and Georgia. All border sections are strictly controlled but refugees are welcome to leave the Chechen republic.

Russian Vice-Premier Nikolay Yegorov told the council meeting that the Russian leadership will do its best to restore constitutional order and normal life in Chechnya. He informed the council members in detail about measures taken by the Russian leadership to stabilize the Chechen situation and said that these measures are directed against the Dudayev regime and not against the Chechen people.

Soskovets Chairs Meeting on Chechen Situation

LD2012171994 Moscow ITAR-TASS World Service in Russian 1637 GMT 20 Dec 94

[By ITAR-TASS correspondent Oleg Velichko]

[FBIS Translated Text] Moscow, 20 Dec—The southern approach to Groznyy, which has not yet been closed off, is being used by the illegal armed formations to bring reinforcements into Chechnya. This was reported today at a meeting of the operational staff for coordinating the activities of the federal executive bodies. The meeting was chaired by First Deputy Prime Minister Oleg Soskovets.

According to Ministry of Internal Affairs reports, arms are being distributed indiscriminately to the public in order to create mobile sabotage groups. It was noted at the meeting that 48 criminals had been released from prison especially for this purpose. It has been observed that among the fighters there are Afghan mojaheddin and Chechens who fought on Azerbaijan's side in Karabakh. At the same time, the Ministry of Internal affairs representative said, information is being received that Dzhokhar Dudayev is losing control over the actions of the armed groupings, which are becoming increasingly uncontrollable.

According to a report from the Defense Ministry, one serviceman was killed today.

Soskovets gave instructions to improve the supply of foodstuffs to the servicemen who are in Chechnya, and more trucks will be sent there to carry bread products and other foods for this purpose.

Russian Aircraft Bomb Groznyy Throughout Night

LD2112081594 Moscow 2x2 Television in Russian 0730 GMT 21 Dec 94

[FBIS Translated Text] Russian aircraft bombed Groznyy throughout the night, Interfax reports. The bombing concentrated on the areas where military installations are located.

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A duty officer at the Chechen Armed Forces Headquarters has reported that Groznyy's air defense capabilities are not being used because of an acute shortage of ammunition.

Colonel Denies Reports

LD2012195094 Moscow INTERFAX in English 1855 GMT 20 Dec 94

[FBIS Transcribed Text] Moscow, Dec 20 (Interfax)—Referring to their telephone communications with Groznyy, a number of individuals reported to the media massive air strikes on Groznyy causing many human victims and heavy damages.

The head of the government press office, plenipotentiary representative of the Russian prime minister Valentin Sergeyev, contacted the chief of the Russian staff, Colonel General Mikhail Kolesnikov, who categorically dismissed the reports on air strikes against Groznyy Tuesday evening.

Citing reports by the central controlling point of the Russian air forces, Kolesnikov said this evening air strikes had been dealt only against fortified installations belonging to illegal armed formations "outside the limits of cities or villages."

Due to unfavorable weather conditions, air strikes had a limited effect. The same reason ruled out its use above Groznyy. The Russian aviation deals strikes only against military installations in the Chechen capital.

TV Reports Gen Babichev Dismissal

LD2112080994 Moscow 2x2 Television in Russian 0730 GMT 21 Dec 94

[FBIS Translated Text] Major General Ivan Babichev, commander of the Pskov Airborne division, has been dismissed from his post. The Ekho Moskvy radio station reports that the official reason for the dismissal is his failure to carry out orders. Babichev earlier said he would carry out Defense Minister Pavel Grachev's orders, only if they are not directed against civilians in Chechnya. No one has yet been appointed to replace Babichev as commander.

Defense Ministry Denies Dismissal

LD2112084094 Moscow ITAR-TASS World Service in Russian 0802 GMT 21 Dec 94

[By ITAR-TASS correspondent Sergey Ostanin]

[FBIS Translated Text] Moscow, 21 Dec—"Not one of the Russian officers taking part in the operation in Chechnya has resigned." This was stated to ITAR-TASS today by a representative of the Russian Federation Defense Ministry's Directorate for Information and the Press. He said "this also applies to Major General Ivan Babichev, who as before is commanding a column of Russian troops in Chechnya. No one has dismissed him from this post."

In reply to an ITAR-TASS question, the representative refuted reports which have appeared in several mass media with regard to the removal from their posts of a number of officers taking part in the Russian troop operation in Chechnya. Reports of the dismissal of Gen. Babichev are considered by the Russian Federation Defense Ministry's Directorate for Information and the Press as "disinformation aimed at discrediting the Russian general."

'Intensified' Fighting in Chechnya, 'Increased' Casualties

LD2112103094 Moscow ITAR-TASS in English 1022 GMT 21 Dec 94

[By ITAR-TASS correspondent]

[FBIS Transcribed Text] Moscow December 21 TASS—The Russian Government reported that fighting had intensified in Chechnya on Wednesday [21 December] and said losses among Russian servicemen and Chechens have increased. It did not specify the number of Russian casualties, but said over 40 civilian local residents were killed by fire from Dudayev's snipers.

The press service of the government said in a release received by TASS that foreign mercenaries are especially severe in Chechnya and that their participation in the bloodshed can aggravate Russian relations with corresponding countries.

The press service said Afghan mujaheddin, Azeri militants and Ukrainian nationalists are fighting near Groznyy.

The press service said a government meeting was chaired by First Deputy Prime Minister Oleg Soskovets on Wednesday and that "a sharp activisation of actions of illegal armed units was noted" there.

"Last night they (Dudayev's supporters) took steps to reinforce defence of many settlements. Heavy weapons are being deployed directly in houses which have been turned into strongholds. Attempts are made to force Russian servicemen out of the villages where units of the Interior and Defence Ministries are deployed", the press service said.

It added that "subversion groups and snipers are active everywhere and the number of casualties among the servicemen increased as a result. Sniper fire killed over forty local residents, also of the Chechen nationality. As a result the population of the settlements does not risk to go out".

"In Groznyy precision bomb strikes destroyed several strongholds and adjacent houses abandoned by residents. Residents hastily leave the city. Several groups of

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refugees were detained by Dudayev's militants. All valuables were taken from them.

"Residents who succeeded to get through the cordons of militants in the southern direction are supplied with transportation means by the interior units in order to get to neighbouring republics.

"Special cruelty of mercenary gangs of Afghan mujaheddin, Azeri militants and Ukrainian ultra-nationalists has been noted. The press service is authorised to state that the participation of foreign mercenaries in bloody atrocities on the territory of the Chechen republic, which is an integral part of the Russian Federation, can aggravate Russian relations with the countries from where mercenaries continue to arrive", the press service said.

Chechen Forces Withdrawing From Center of Groznyy

LD2112110394 Moscow ITAR-TASS World Service in Russian 1030 GMT 21 Dec 94

[FBIS Translated Text] Moscow, 21 Dec. (ITAR-TASS)—The Russian Government press office has circulated the following report today:

"According to reports from the Russian Interior Ministry and Defense Ministry troops, the large groups of illegal armed gangs operating in the western, northern, eastern and north-western outskirts of Groznyy are withdrawing from the center back to the suburbs of Groznyy to be ready for actions to prevent the storm of the city. This will allow effective shelling of clusters of the guerrilla forces, targeted bombing of weapons, armored vehicles and strongholds.

The actions of the Russian troops in the morning were hampered by a fog and snowfall. However this did not prevent one reinforced group of Russian troops to break through to a suburb of Groznyy after a prolonged battle from the side of the Terskiy ridge.

The press office decisively denies the rumors circulated by some of the media that a 'certain tank column' of Russian forces had been 'surrounded' as absolutely untrue."

Chechen Forces Using 'Guerrilla Warfare' Tactics

LD2112105794 Moscow ITAR-TASS in English 1050 GMT 21 Dec 94

[By ITAR-TASS special correspondent Mikhail Shevtsov]

[FBIS Transcribed Text] Mozdok December 21 TASS—Ten men from Russia's Interior Ministry troops have been killed and 17 wounded in the course of the operation in Chechnya, according to the press centre of the troops located in Mozdok.

The Chechen forces are increasingly using the "Afghan tactics" of guerrilla warfare with lightning strikes and withdrawal. They install artillery guns and armoured vehicles in residential areas, next to schools and kindergartens or on the premises of oil-processing installations, as is the case in Petropavlovskoye and Pervomayskoye, to avoid retaliatory strikes.

Several Russian troops were killed during armed heavy armed clashes with Dudayev's forces in the residential area of Dolinskiy.

According to the press centre, Russian Interior Ministry troops come under fire in the nighttime, and landmines are planted in the nighttime, too. Russian troops came under repeated artillery bombardment and attacks by pro-Dudayev groups from Petropavlovskoye. One man was killed and three were wounded by the night shelling.

The press centre described the change in the situation in the Chechen republic as "considerably exacerbated".

Dudayev Using Russians in Chechnya as Human Shields

LD2112121494 Moscow ITAR-TASS in English 1159 GMT 21 Dec 94

[By ITAR-TASS correspondent]

[FBIS Transcribed Text] Moscow December 21 TASS—Russian officials said on Wednesday [21 December] that armed supporters of Chechen leader Dzhokhar Dudayev are not going to surrender and are using the Russian population of Chechnya as a shield.

"The armed units of Dzhokhar Dudayev are not going to cease combat actions and lay down arms", Russian officials in Mozdok on the border with Chechnya told TASS by telephone. Military actions against the rebel republic are orchestrated in Mozdok.

They explained that "as a rule, shelling of Russian units is carried out from houses belonging to Russian families. At present up to two thousand Russians are being detained in the settlement of Assinovskaya".

A group of Dudayev's supporters armed with "grad" rocket launchers is acting near Assinovskaya. It is based in the building of an orphanage, the officials said.

In the village of Ishcherskaya two anti-aircrarft cannons have been deployed in a school yard while the school was turned into an ammunition dump, they said.

In the shali district where Dudayev's tank regiment is situated, "mercenaries from Afghanistan, Pakistan are deployed", the officials said adding that bodyguards of Dudayev include militants from the nationalist Ukrainian UNA-UNSO organisation.

Opposition Aide Sees Dudayev Fall 'Within 1 Week'

MM2112100194 Moscow KOMSOMOLSKAYA PRAVDA in Russian 21 Dec 94 p 1

[Report by Dmitriy Babich under general headline: "Chechnya: This Happened Yesterday"]

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[FBIS Translated Text] In the opinion of Saladin Abubakarov, state counselor of the Chechnya Government of national rebirth, "a government headed by Salambek Khadzhiyev will constitute the basis of the Chechen Republic's territorial organs of administraion which Russian Federation Vice Premier Nikolay Yegorov is now forming." He declared this in Nalchik Monday, at a briefing at the Kabardino-Balkar Republic Ministry of Information and the Press. Abubakarov ruled out the possibility of Dudayev's officials participating in the reborn Chechnya's organs of administration, declaring that "they are all criminals who will definitely be put on trial."

Concerning the development of the situation, the state counselor of the government of national rebirth said that the Dudayev regime "will fall within one week at most." He pointed out that "Dudayev's base is made up of a backbone of approximately 4,000 people, of whom 2,500 are mercenaries and 1,500 are professional criminals."

Events in Chechnya Said a 'Large-Scale Human Tragedy'

MM2112141794 Moscow TRUD in Russian 21 Dec 94 p 1

[Unattributed report: "Stopping the Wheels of War"]

[FBIS Translated Text] Last night Sergey Kovalev, Russian Federation human rights commissioner, and a group of State Duma deputies who are in Groznyy faxed a letter to Moscow addressed to Russian Federation President Boris Yeltsin. It says, in particular:

"We have been informed of your interest in receiving objective information about the situation in Chechnya from the Russian Federation human rights commissioner's delegation.

"All the information gathered by us testifies to the fact that what is happening has exceeded the bounds of forceful politics. In this situation it is even pointless to talk of mass human rights violations. Everything that is happening constitutes a large-scale human tragedy.

"Now, being in Chechnya, we are experiencing with its inhabitants—Chechens and Russians—air raids and artillery bombardments, and we can see the deaths and the flight of civilian inhabitants and the destruction of housing and the economy. The so-called disarmament of bandit formations is turning before our very eyes into the chaos and mayhem of civil war.

"The Chechen people, like any other people, can err in choosing their leaders and ideals. But this does not give anyone the right to pursue a dispute with them in the language of the bomb and the bullet. The restoration of constitutional order on Chechen territory with the aid of mass violence signifies a threat to the constitutional order of the whole of Russia, which has scarcely started out on the democratic path of development.

"It is extremely important to note the dangerous trend of silence and disinformation which can be perceived in official reports since the very beginning of the conflict. All the indications are that the information reaching you is just as unreliable and false.

"We urge you to immediately stop the wheels of war and begin talks with your characteristic resoluteness.

"We are sure that peaceful methods of resolving the conflict have by no means been exhausted, as claimed by those who are now continuing to provoke bloodshed in the Caucasus and far beyond its boundaries.

"We are convinced that your meeting with Chechnya's political leaders will give our peoples the chance to solve complex problems by peaceful rather than violent means."

Kalmykia's President Ilyumzhinov Interviewed

MM2112151594 Moscow ROSSIYSKIYE VESTI in Russian 21 Dec 94 pp 1,3

[Report by Dmitriy Orlov of interview with Kalmyk President Kirsan Ilyumzhinov; place and date not given: "It Is Not Political Sovereignty but Economic Prosperity That the Regions Need, Kalmyk President Kirsan Ilyumzhinov Believes"—first paragraph is introduction]

[FBIS Translated Text] Events in the Chechen Republic obviously indicate how ruinous the policy of "sovereignization" is for Russia and its component parts. Why is it being implemented? Those in favor of weakening Russian statehood will never give the real answer to this question. But it is obvious nonetheless: in order to strengthen their own authority. Kalmykia is a graphic example of how events can develop in a situation where the political elite's honest interests are subordinated to the general aims of the region's economic development.

On Authority

[Ilyumzhinov] No reforms—and we can see this from the example of Russia as a whole—will work without creating a tough centralized authority, an economic dictatorship, I would say. That is why in Kalmykia we abandoned our own constitution after adopting a Steppe Code [stepnoye ulozheniye], wound up the soviets of deputies, and reduced the cumbersome bureaucratic apparatus to a tenth of what it was. There were 40 ministries for our small republic with its population of 350,000! There are now four left. Sovkhoz leaders come directly under the jurisdiction of the president. The institution of administration heads has been replaced by presidential representatives. The rigid executive vertical command structure which has thus been set up is effective and other regions are now adopting it.

There have also been changes in party organizational development. There were recently 14 parties in Kalmykia. However most of them only had a few members each. For instance, the monarchy party numbering

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two people split after the Kalmyk Constitution was abrogated: Each faction ended up with one party member. There are 12 people in the Republican Party.... Since 22 September Kalmykia has been free of political parties. How have we accomplished this? We adopted a law whereby a party can be registered if it numbers no less than 1 percent of the population. No political associations of that kind have as yet turned up.

This does not mean that a presidential dictatorship has set in. Rigid centralization is being developed primarily to help owners so that everyone can feel confident. As the honorary representative of the Chamber of Entrepreneurs I personally control the allocation of loans for the development of small business. But the actual system, primarily the executive vertical, operates without me. And that cannot help but be a source of delight.

On the Economy

Kalmykia is an agrarian republic: Agriculture accounts for 85 percent of its potential. Therefore our most important task was to create our own processing industry.

What are the results? We have built the largest tannery in the North Caucasus through virtually unadulterated enthusiasm and by the "people's construction" method.

We are producing children's fur coats and footwear using state-of-the-art Italian and Spanish equipment. We have begun building a wool washing plant. After all Russia has for three years failed to resolve the wool question—wool is just lying around unutilized in all regions. Kalmykia is the first to have made a breakthrough. All the wool has been sold. We have received both rubles and hard currency for it and we are holding talks with Christian Dior regarding fabric production. In November we are holding a tender for the construction of an oil refinery. Some 18 foreign companies want to take part in this. According to tentative figures, our republic has oil stocks of 1.5-2 billion tonnes. A fish processing plant has begun work.

On Religion

The situation in the republic depends on relations with various religions. We have built two Orthodox churches and we hope that Patriarch Aleksiy II will consecrate them. I think that Kalmykia is the only center of Buddhism in Europe—it must become the largest center for the study of this religion. A Catholic monastery will be built on a plot of land allocated to the Vatican although there is just one Catholic in Kalmykia. The Vatican will fund the construction. I have united church and state and the heads of the Buddhist and Orthodox churches have been elevated to the rank of ministers.

On Awards

Kalmykia is called the "gateway to the Caucasus." If there is trouble in the mountains, we are conscious of it: We are next to Chechnya, Ingushetia, and Dagestan. Piratical attacks on flocks of sheep and village residents have become more frequent in the border zone.

In order to prevent this I have decided to inaugurate the honorary title of "Hero of Kalmykia." The medal has been ordered from the Main Administration for Production of State Bank Notes, Coins, and Medals and I myself have drawn up a model with 11 diamonds and 13 rubies. And the is a brand new "Volga" car to go with it. When I suggested conferring the order of Hero on a resident of our republic who is a Dagestani national the public did not, to put it mildly, understand where I was coming from. They told me that the first Hero should be a Kalmyk. But I was insistent: We have a worthy man. A good worker and head of a large family. In response a decision was adopted in Makhachkala that the president of Kalmykia should be the first Hero of Dagestan.

This exchange of awards has helped render the border calm.

On Stability

Crime is down 25 percent. Racketeering has been totally eliminated and since last June there has not been a single big fight. Whereas recently it was impossible to go onto the streets in the evening, now there is a disco for young people on the main Lenin Square every Saturday. Several thousand people attend. In the evening children and women go for a stroll. Come along and see for yourself.

People ask me: What are the former leaders doing? Many people have gotten keen on business, but there are also plenty who have once again returned to leadership positions.

When I had only just become president, I wanted to entrust things to the "democrats." But none of them held their ground. Governing is not a matter of yelling at rallies.

The standard of living in the republic is of course low at the moment. Shepherds and machine operators earn 30,000-40,000, while wages have not been paid in budget-funded sectors since some time in February or March. Nevertheless one is conscious of a change for the better. People are smiling.... The main task for a leader is to create a "positive field" for the people's activity. Then the people—yhes, the people themselves!—will be capable of a great deal.

About Myself

I have handed over to the republic over 50 vehicles, primarily to missions in the far abroad and in the CIS. I owned dozens of firms but now I do not of course manage them.

In my spare time I play chess and soccer.... I do not have enough time to do a great deal.

Where do I buy my clothes? From no absolutely specific firm. I used to buy my clothes in the West but now I try to wear our products. The suit that I am now wearing

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comes from Kalmykia. During the winter I also wear all national clothes—sheepskin coats, leather jackets.... I am sure that our prosperity will depend on the prosperity of Russian industry.

Yamal-Nenets Economic Prospects Discussed

MM2112153194 Moscow TRUD in Russian 21 Dec 94 p 2

[Interview with Yuriy Vasilyevich Neyelov, head of Yamal-Nenets Okrug Administration, by Yuriy Morozov in Salekhard; date not given: "Yamal: Poverty Amid Wealth. Head of Okrug Administration Answers Our Correspondent's Questions"—first three paragraphs are introduction]

[FBIS Translated Text] There are files of documents on Yuriy Neyelov's desk along with letters and invitations. Following his speech at an international congress, Salekhard has received plenty of offers for him to visit Western countries, study various firms' activity, and discuss the potential for business contacts. This is not altogether surprising, since today the world is interested in Yamal and its prospects and is studying the possibilities of investing money in the economy here.

Neyelov was appointed head of the okrug administration recently, in February. Then this year's budget was ratified. It had a difficult ride—the situation is one of crisis, and growing nonpayments have complicated it still further.

So, our conversation with the Yamal governor began with his assessing the financial state of Yamal-Nenets Okrug.

[Neyelov] Well, to be brief, it is a case of poverty amid wealth. But why be surprised? About two years ago the okrug freely shaped its own budget, now the situation has radically changed—money is not received but earned. And that is quite normal, on one condition, provided that the state settles up with our enterprises promptly. Then we could become one of Russia's richest territories. We have a huge oil and gas complex. But regrettably we have huge debts too. The result being that we are poor although there can be said to be incalculable natural wealth around us.

My appointment came at the height of the nonpayments. My colleagues and I realized that if we stand with outstretched hand without offering anything, we will be done for within a month or two. We began to reflect and seek a solution and first tried to find a means to at least partially resolve the acute problem. We were provided with tangible assistance by "Gazprom"—people there saw and correctly assessed the situation in the region.

Using the mechanisms for mutual offsetting of debts owed for minerals and gas we imported fuel, commodities, and food into the okrug worth 650 billion rubles [R]. We offset debts to "Gazprom" totaling another R450 billion by doing deals with Ukraine, Moldavia [Moldova], and Belorussia [Belarus].

I would point out that the social sphere in our okrug has found itself in a grave position, in particular boarding schools for the children of the small peoples. They are supported by the state, but local budgets "cannot cope." It was necessary to take an old, tried and tested path. We invited the oil and gas "generals" along and said bluntly: We understand your difficulties but you must understand us too—the children of the North are expecting your support, they simply cannot survive without it.... In a word, as in the past, we appointed patrons for the boarding schools and took control of this matter. By means of mutual offsetting of debts we supplied schools with food, clothing, and equipment. We signed a document with "Gazprom" on targeted supplies for boarding schools via "Gazprom" manpower support departments. Things are worse in the North's traditional agrarian sector of the economy. Nevertheless here too we are trying to do something. We are working out a program for the rehabilitation of the countryside. We are analyzing the reasons for farms' unprofitability, for the falling demand for output, and we are seeking opportunities to provide subsidies for the sector. And I must say that some questions have already been removed. "Urengoygazprom," "Nadymgazprom," and "Yamburggazdobycha"—even though they themselves are experiencing an extremely severe cash shortage—are nonetheless helping our farms.

[Morozov] Yuriy Vasilyevich, I often meet with the directors of the okrug's sovkhozes and fisheries, and leaders of oil and gas enterprises. They voice the idea that some of the money paid by the oil and gas complex into the okrug budget could be sent direct to land users—those very same sovkhozes and fisheries....

[Neyelov] I back that idea. It can incidentally be discerned in the documents that we are drafting on the development of the North's agrarian zone. A system of subsidies via payment for land and for its sequestration [ottorzheniye] will, I hope, enable enterprises in traditional sectors to survive. Although, to be frank, this is not only up to us locally, but also up to the state, all Russia. You know how the notorious decree No. 145 on the "northern areas" is being fulfilled: To all intents and purposes not a single ruble has been received this year to develop the economy of the small peoples of the North. Everything has to be resolved solely by mutual offsetting of debts with the oil and gas complex.

[Morozov] On the whole what are the prospects for the okrug's socioeconomic development?

[Neyelov] If, I repeat, we sit around idly waiting for ships to come in, we will become a subsidized region to be precise. According to preliminary estimates, next year budget expenditure will be double that of budget revenue, although we have seemingly reduced it to the minimum. That was why an enlarged session of the okrug duma discussed our socioeconomic development

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in a very attentive and committed way. One idea being as follows. A development fund will be set up. It will be funded by fixed interest rates on the selling price of raw materials, to wit oil and gas. But it is hard for us alone to do this with "Gazprom." Therefore we asked for a single development fund to be set up for the three Federation components within Tyumen Oblast.

[Morozov] What does this boil down to?

[Neyelov] Each one of us preserves their autonomy, but together we take responsibility before the state for the development of the West Siberian fuel and energy complex.

I think that this scenario is quite feasible. At any rate, during a meeting in Khanty-Mansiysk we signed a corresponding document. We also met with support from the Russian Government. So, the strategy is clear on the whole. We will all act together, as a united front in order to boost and strengthen the economy of the North.

Crimea Nuclear Plant Said Secure Against Sabotage

MM2112160394 Moscow TRUD in Russian 21 Dec 94 p 1

[Report by Svetlana Tumanova: There Are No Crimeans in Chechnya. Are There Any of Dudayev's Men in Crimea?"]

[FBIS Translated Text] Simferopol—There has been no confirmation of the report from members of the Crimean Assembly, widely picked up by the press, that 10 volunteers of Crimean Tatar nationality have gone to Chechnya from Crimea in order "to fight in a kamikaze squad against the opposition and Russian troops for the Chechen people's freedom." This was stated 17 December at a news conference for journalists by I. Kolomyyev, chief of the Ukrainian Security Service Crimea Directorate. He claimed that Ukrainian Security Service and MVD [Ministry of Internal Affairs] organs had taken every measure to prevent the recruitment of Crimeans for Chechnya and that so far not a single case of its being carried out on the peninsula's territory had been recorded.

However, Kolomyyev reported, the Ukrainian Security Service has received information about the impending infiltration into Crimea of sabotage groups from the Caucasus, whose plans include capturing local airfields and committing terrorist acts at the Crimean AES [Nuclear Electric Power Station]. Dudayev, as I recall, long ago threatened that if anyone encroaches on his regime, AES's throughout the post-Soviet area would be blown up, leaving neither winners nor losers. Leaders of Crimea's power structures have given their assurance that security at the facilities of interest to the saboteurs has been stepped up.

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International Affairs

Foreign Ministry: Chechnya, Crimea Comparisons 'Unfair'

LD2012151494 Kiev UNIAN in Ukrainian 1330 GMT 20 Dec 94

[FBIS Translated Text] Kiev—In connection with the exacerbation of the situation in the Chechen Republic, Ukraine's Foreign Ministry appeals to Ukrainian citizens to refrain from making trips to Chechnya, and to Ukrainian citizens there to avoid taking part in the military conflict and to leave the conflict area. Natalya Zarudna, head of the information directorate, reported this at a briefing at Ukraine's Foreign Ministry on 20 December.

Commenting on the situation in Chechnya, Ihor Kharchenko, head of the political analysis and planning directorate of Ukraine's Foreign Ministry, stated that to make comparisons between the situation in Chechnya and relations between Ukraine's central authority and Crimea is "unfair: There is neither judicial nor political reason for them."

According to Ihor Kharchenko, such comparisons lead to the exacerbation of relations between Ukraine and Russia, and this is "not desirable" during the current vigorous negotiating process between the two countries.

To the question of whether evacuation of Ukraine's citizens from the conflict zone is planned, Ihor Kharchenko replied that the problem is in the process of being resolved.

Ihor Kharchenko was not able to confirm or deny information on casualties among Ukraine's citizens in Chechnya.

Warns Against Travel to Chechnya

LD2012200394 Moscow INTERFAX in English 1634 GMT 20 Dec 94

[FBIS Transcribed Text] Kiev, Dec 20 (Interfax-Ukraine)—The Ukrainian Foreign Ministry has warned the republic's citizens against trips to the area of the armed conflict in Chechnya.

The ministry called on Ukrainian citizens temporarily staying in the conflict area to refrain from participation in armed clashes on any side and immediately leave the region.

Asked whether the Ukrainian government planned any special activities to evacuate Ukrainian citizens from the conflict area, the head of the political analysis and prognosis department, Igor Kharchenko, told a briefing in the ministry Tuesday that the issue was being "carefully examined and monitored." He said the ministry did not have information as to the number of victims among Ukrainian citizens in Chechnya.

Kharchenko hoped that "the ways for solving the confrontation by peaceful means have not yet been exhausted," and that the warring sides will look for such means.

The Ukrainian diplomat criticized some Ukrainian media for attempts to compare the Chechen crisis with the differences between Ukraine and Crimea calling them "motivated neither politically, nor logically."

Democratic Party Protests 'Russian Imperialism'

AU2012200594 Kiev NARODNA HAZETA in Ukrainian No. 49 (180) Dec 94 p 1

[Undated statement by the Third Congress of Ukraine's Democratic Party]

[FBIS Translated Text] The Third Congress of Ukraine's Democratic Party expresses its anger at the actions of the Russian imperialism in Northern Caucasus. We consider the Chechen people's struggle to be one of national liberation, which is in conformity with the UN statutes.

We appeal to all Ukrainian patriots and also to Russian Democrats to support the Chechen freedom fighters, because suppression of the Chechen people's national liberation struggle may mark the beginning of restoration of the Russian empire and the end of Russian democracy.

Shame on the colonizers!

Freedom for the people of Chechnya!

Zlenko Cited on 'Excessive' Size of UN Contribution

LD2012183694 Kiev UNIAN in Ukrainian 1620 GMT 20 Dec 94

[By UNIAN correspondent Svitlana Artemenko]

[FBIS Translated Text] Kiev—The first stage of the 49th UN General Assembly session ends on 23 December, it was announced at a Ministry of Foreign Affairs of Ukraine briefing on today.

The briefing was told, in particular, that Ukraine, among 34 other countries, had taken part in the debate on UN Secretary General Butrus Butrus-Ghali's report "Providing for the organization's strong financial basis." Participants in the debate sought to make the discussions on ways to resolve the problem of ensuring the UN's financial stability wider-ranging than that within the framework of the Fifth Committee.

Anatoliy Zlenko, Ukraine's permanent representative to the UN, spoke against the application of a system of fines to the countries in debt. He also made a number of proposals concerning the division of expenditure to finance peacekeeping operations, and said the size of Ukraine's contribution to the UN's regular budget was excessive.

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Kiev Opposes Dual Citizenship in Treaty With Russia

LD2012182594 Kiev UNIAN in Ukrainian 1620 GMT 20 Dec 94

[By UNIAN correspondent Volodymyr Ivakhnenko]

[FBIS Translated Text] Kiev—"Two problems remain to be solved before signing a wide-ranging treaty between Ukraine and Russia, and one of these is dual citizenship," Borys Tarasyuk, first deputy minister of foreign affairs, told UNIAN. He is taking part in today's talks, which are being held to conclude the month-and-a-half-long negotiations on the treaty.

Tarasyuk said that the Ukrainian side would not agree to include a dual citizenship clause in the future treaty. The first deputy minister added that the delegations were also discussing economic issues, including Russian gas deliveries to Ukraine. A total of 40 documents are yet to be discussed and agreed upon, he said.

Moscow, Kharkov To Cooperate in Military-Industrial Complex

AU2012134794 Kiev HOLOS UKRAYINY in Ukrainian 16 Dec 94 p 1

[Unattributed report: "An Agreement Between Kharkov and Moscow Oblasts"]

[FBIS Translated Text] The several rounds of negotiations on mutually advantageous cooperation between Kharkov and Moscow oblasts seem to be finally acquiring concrete economic expression. A corresponding protocol, signed in Kharkov by Oleksandr Maselskyy, chairman of Kharkov Oblast Council, and Anatoliy Tyazhlov, head of the administration of Russia's Moscow Oblast, envisages the creation of a number of joint ventures, primarily in the military-industrial complex. It is planned, in the future, to implement Moscow's investment programs in the Kharkov Region, establish contacts among industrialists and agricultural manufacturers, and also develop cooperation in the spheres of science, commerce, and culture.

Talks on Turkmenian Gas Deliveries Held in Moscow

AU2012140394 Kiev HOLOS UKRAYINY in Ukrainian 16 Dec 94 p 1

[Unattributed report: "The Basis for the Resumption of Gas Deliveries"]

[FBIS Translated Text] On 14 December, governmental delegations of Ukraine and Turkmenistan held negotiations in Moscow on deliveries of Turkmenian gas to Ukraine.

As Ukraine's Prime Minister Vitaliy Masol, who headed our state's delegation at the negotiations, stated to a UKRINFORM correspondent after returning to Kiev, the sides agreed to amend the bilateral documents, signed earlier, in order to work out a reliable mechanism for settlements for the Turkmenian gas supplied to Ukrainian enterprises and for the products of Ukrainian manufacturers supplied to Turkmenistan. This will form a basis for the resumption of Turkmenian gas deliveries to Ukraine.

National Affairs

Deputies Discuss Power Bill, Chechnya Appeal

LD2012134194 Kiev UNIAR in Ukrainian 0800 GMT 20 Dec 94

[FBIS Summary] Kiev, 20 Dec—Three hundred and five people's deputies registered at today's Supreme Council session. Supreme Council Chairman Oleksandr Moroz was presiding. At the session, the deputies approved the agenda for 20-23 December.

On 22 December, the deputies are to examine draft laws on local councils and on state power and local self-government. This week they plan to examine the Ukrainian president's decree of 10 November on urgent measures to speed up land reform in agricultural production, the former USSR's debts and assets, making amendments and additions to the law of Ukraine "On enterprises in Ukraine" and the decree of Ukraine's Cabinet of Ministers "On payment for labor". The Cabinet of Ministers is to present information on the minimum standard of living and wages in the production sector.

The deputies adopted an appeal from the Supreme Council to Russia's State Duma and Federation Council on the events in Chechnya. Two hundred and ninety deputies voted in favor of it, three voted against, and one abstained.

New Communist Group Urges USSR Restoration

MK2012112094 Moscow SEGODNYA in Russian 20 Dec 94 p 5

[Report from Kiev by Konstantin Parishkura: "Communists Set Up Proletarian Union. Presidential Adviser Creates New Party"]

[FBIS Translated Excerpt] At the First All-Ukraine Workers Congress, which was held in Kiev from 17 to 18 December, delegates from all Ukrainian oblasts, except for Lviv, Ivano-Frankovsk, and Rovno, set up a new public-political organization: the All-Ukraine Workers Union, which in accordance with its program statement, adopted at the congress, plans to defend "the political and economic rights of workers." Present in the audience were four communist deputies of the Ukrainian Supreme Council, headed by Petr Simonenko, leader of the Ukrainian Communist Party. Also present were representatives of other left-wing parties, including those

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from Russia. The congress sent its greetings to another communist congress, which opened concurrently in Moscow.

Right at the congress the delegates began raising signatures under an appeal to restore the USSR. According to Vasiliy Tereshchuk, whom the congress elected a Workers Union's executive committee member, a total of 468 representatives of workers collectives attended the congress. When your SEGODNYA correspondent doubted that they were all workers, a member of the Workers Union said that the question is provocative, adding: "It is the workers' business whom they choose to delegate." Later it turned out that half of those present did not have credentials.

The congress elected a 56-member council of the Ukrainian Workers Union, a 10-member executive of the council, and its chairman, Oleksandr Bondarchuk. The latter often consulted during the congress with Ukrainian Communist Party leader Petr Simonenko, which more than once helped the newly elected leader of the Ukrainian proletariat to maneuver his way around difficult situations. The congress adopted an appeal to the Ukrainian Supreme Council, requesting that the question of unlawful breakup of the USSR be considered and a ban be lifted from the Communist Party. Judging from its program statement, which was adopted at the congress, the Workers Union's maximum program is aimed at taking power. In the long run this calls for a dictatorship of the proletariat, but—apparently at the communists' advice—this provision has not been laid down in the program statement so far. The union is not a political party, its leaders stressed. Evidently, otherwise problems might have cropped up over the union's registration with the Justice Ministry. [passage omitted]

Prosecutor General Discusses Legal Process

WS2112115094 Kiev VSEUKRAINSKIYE VEDOMOSTI in Russian 14 Dec 94 p 9

[Report by Yekaterina Novosvitnyaya: "Contemporary Ukraine: Power of Lawlessness or Lawlessness of Power? More Likely, Both of Them"]

[FBIS Translated Excerpt] It has become a good tradition for our editorial staff to play host to prominent politicians and high- ranking state officials. Not a long ago the VSEUKRAINISKIYE VEDOMOSTI offices were visited by Ukraine's Prosecutor General Vladyslav Datsyuk. Reporters' discussions with Vladyslav Volodymyrovych touched upon general political legal processes and the most sensational criminal cases.

On State

The most important question for any country is a question of ownership. Once you have resolved this question, other legislative activity would dynamically move forward, since the basic strategic direction of development would be determined and no ground for the question "What are we building?" would remain. Any social advancement is characterized by a struggle for property, land, markets, factories, natural resources, and so on. In Ukraine, as in other countries, unquestionably, a peaceful revolution took place—a breakup of political and economic systems. To keep the legal situation secure, one needs to have a new constitutional field. This is what the president is striving for, but the main issue must be resolved by the Supreme Council. There will be no development without the adoption of a new constitution.

On Power

Is Ukraine actually ruled and when will there be an end to lawlessness [pravovoy bespredel]? For the time being, there are only two branches of power existing in the country: legislative and executive; the third branch, the judiciary, does not exist as such. Instead of it, there is a body administering justice. If Ukraine's Supreme Court had been endowed with the functions of a constitutional court, it would have become the third branch of power. As of today, the judiciary is in the process of splitting into the Supreme Court (and its inferior structures), the Court of Arbitration, and that which is currently being created—the Constitutional Court. There are attempts to organize administrative courts and some conciliatory [mirovyye] courts, whereas all judicial power should be centered in an entity headed by its highest body—a plenum. It is logical to expand the Supreme Court body with tribunals [palaty] or collegiums for criminal, military, arbitration, civil, and constitutional cases. Under such conditions, the judiciary may become a real branch of power.

On General Control

In Ukraine, 12 million citizens were held accountable under administrative law. This unprecedented figure is a source of alarm for prosecutor's offices, which try to examine each case and, if possible, withdraw charges. This is what belongs to the functions of a department for general control over the observance of legislation—the most important department accomplishing control over the observance of law in all branches of state activity. The government and administration are making desperate attempts all the time to limit these duties performed by prosecutors, because this hinders them, since a minister does not need any control. This control is necessary for the people, so the prosecutors are guided by only one directive: To protect people in their everyday lives and production activity against the arbitrariness of authorities. If the state is not able to face people's needs honestly, as occurs now, this state has no future, therefore a prosecutor's task is very responsible. How are our "humanitarian" ministries defending our citizens? Following general checkups, which often end in the courts, the Ministry of Health alone gave rise to a dozen criminal cases. Such kind of disorder may be found at the Ministry of External Economic Relations, the State Committee for Oil and Gas, the Committee for Agricultural Technical Service, and others. [passage omitted]

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On a Law Against the Mafia

Does Ukraine need one more law on the struggle against the Mafia? A special law on combating organized crime has been passed. In 1992, a strict definition of the word "band" [banda] (an organized group of criminals) was included in Article 69 of the Criminal Code. Regarding "the Mafia"—it is a word from literary jargon. The whole question centers on the fact that the militia does not want to make efforts, to prove the fusion of the criminal world with the administration apparatus. Is it complicated? Possibly. This also requires professionalism. However, for the time being, we have only force, but even then it is based on quantity alone. The adoption of a law on combating corruption will only add to the healing process of our state apparatus.

Datsyuk's Deputy Submits Resignation

LD2012212494 Kiev UNIAN in Ukrainian 1900 GMT 20 Dec 94

[By UNIAN correspondent Oena Melnyk]

[FBIS Translated Text] Kiev—Oleg Lytvak, the first deputy general procurator of Ukraine, tendered his resignation today, a senior procuracy official told UNIAN.

Lytvak had come under repeated criticism from Vladyslav Datsyuk, the general procurator of Ukraine, and Hryhoriy Omelchenko, the chairman of the Supreme Council Commission for Combating Organized Crime and Corruption. They accused the deputy procurator of delaying prosecution in several cases dealing with economic crime. Lytvak's response to the criticism was published in Kiev newspapers on 17 December.

Franchuk Discusses Economy, Current Issues

WS2012154594 Kiev UKRAYINA MOLODA in Ukrainian 16 Dec 94 p 3

["Exclusive" interview with Crimean Prime Minister Anatoliy Franchuk by Serhiy Kuchynskyy; place and date not given: "Living Through Winter Is Harder Than Crossing a Field, the Constitutional One"]

[FBIS Translated Text] [Kuchynskyy] Anatoliy Romanovych, immediately after receiving the portfolio of Crimean prime minister you declared: "The main thing is to live through the upcoming winter." What did you imply by that statement?

[Franchuk] I said so, indeed, with regard to two inseparable things. First of all, I am not a politician; I have never been, and will never become one, yet we primarily have to live through the political winter. To my regret, the current relations between the Ukrainian Supreme Council and the Crimean Supreme Soviet are often "heated up" by both "the right" and "the left" forces. Crimea's accession to Ukraine's constitutional field is proceeding, so to speak, with difficulty. At this stage, we should avoid all kinds of referendums, dissolutions of soviets, and new elections. Frankly speaking, I observe with envy the development of those regions in which priority is given to the economy. When speaking about "living through winter," I was primarily referring to the economy.

First, Crimea was afflicted by a drought in 1994, the kind which occurs once in a century (the last time a similar drought was observed was in 1902). Some 135 Crimean collective farms and state farms were "burnt to a cinder"—that is to say, they were left without crops, grass, or hay. For the first time in my life I saw Crimea without water. Whoever saw whirling Crimean rivers totally dried out? As of mid-summer, the deficit of agricultural products amounted to 6 trillion karbovantsi. By now, that figure has dramatically changed. Instead of 350,000 tonnes of grain, we only stored 250,000 tonnes. Pedigree cattle and poultry were left without fodder. This entails a long chain of problems: Small crops—lack of funds—lack of energy resources.

The issue of saving the poultry population is especially important to us, given that the peninsula was famous for poultry production back in Soviet times. Since we do not have our own fodder, we are afraid that poultry production might be lost altogether. Of all the regions of Ukraine, Crimea is the only one which has not completed its winter sowing. Due to our politicking and to the drought, we have expansive areas which have remained unploughed.

Water shortages are our other ailment. A number of coastal towns—Alushta, Yalta, Gurzuf, Miskhor, Foros, and Sevastopol—were completely devoid of water.

Now it is clear that the winter, which despite our wishes has arrived in Crimea, will not be easy. However, we are doing what we can to live through it with minimal losses. Ukraine's Cabinet of Ministers is rendering assistance. Due to support from Vinnytsya, Kirovohrad, and Kharkov Oblasts, we can say that Crimea will not be without bread. However, bread is not everything.... How can we save cattle breeding? We are currently "racking our brains" over this problem and count on support—aside from the oblasts mentioned earlier—from Khmelnytska, Cherkaska, Khersonska, and Mykolayivska Oblasts. We have also reached an agreement with the Lvov Oblast leadership.

[Kuchynskyy] What are the repercussions of the last political summer, and how did it afflict the sunny peninsula's scanty budget?

[Franchuk] You are right speaking about repercussions. Every year, 8 to 9 million people used to come to Crimea on vacation and to restore their health. However this summer, only 2.6 million people visited our wonderful sanatoria and holiday centers. Our transport did not have a proper workload, people lost their jobs and eventually—the budget lost its revenues. I would like to emphasize that those 2.6 million people came after the presidential elections in Ukraine. Before the elections,

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hardly anybody had visited Crimea, and only the bold and brave had been sunbathing on the seashore.

In light of this, we would like to better prepare for the next vacation season. We count on understanding and support from Oleksandr Moroz, Vitaliy Masol, and the Ukrainian president. We have interesting plans regarding a free-trade zone; as well as projects regarding import and export of products. Thus, new life demands new approaches.

[Kuchynskyy] Anatoliy Romanovych, the Moscow team of Crimean officials has suffered a fiasco. How do you personally assess the period of Saburov's management of the prosperous land?

[Franchuk] I have already briefly depicted the circumstances under which our team received the parliamentary vote of confidence. Although this might seem indiscreet, I believe that despite the drought, more could have been done for the residents of Crimea. A lot of opportunities have already been missed. In my opinion, economic posts should be manned with specialists, and not consultants. However, let us not stir up the past. We have a lot of work and it should be done in the first place.

[Kuchynskyy] Do you have faith in your team?

[Franchuk] Believe it or not, the team as such does not yet exist, although its formation is almost complete. The new style of work and the new conditions are quite tough and demand the particular selection of personnel. I already mentioned that this year, we have encountered ordeals which probably did not exist before. Crimea, in fact, has never approached winter without a sufficient store of bread to last until the next harvest. Today, those problems exist. Crimea has never approached winter with a 48- percent store of fodder; meanwhile it is a reality now. Crimea has never had a winter supply of potatoes which meets only 30 percent of demand. This, too, we now have. I believe that we will manage to overcome the extraordinary circumstances and at the same time, form a vigorous team, ready to fully cope with its tasks.

[Kuchynskyy] Anatoliy Romanovych, there exists a Ukrainian Supreme Council resolution regarding the Crimean Constitution; there also is a resolution by the Crimean legislature regarding the Ukrainian resolution. What, in your opinion, can be the outcome of that procrastination?

[Franchuk] At the beginning of our conversation, I emphasized that I am not a politician. That is why my answer will be short: Common sense will prevail.

[Kuchynskyy] You have managed to persuade us that you are not a politician. However, who are you as a manager? From where did you come to the Crimean Government?

[Franchuk] My appointment was perhaps prompted by the fact that people remembered my accomplishments in the production sector. I once worked as manager of one of the largest enterprises in Simferopol. I scored certain achievements while working in the industrial sector of Krasnoyarsk, Almaty, and Moscow. Given that in the past, the executive cadre was formed much more scrupulously than now, my work as deputy minister in one of the USSR ministries proves that I am not a chatterbox—I am a practitioner. The most essential thing for me today is to justify the numerical support given to me by the Crimean legislature.

Official Discuss Progress of Reforms

WS2012144594 Kiev VSEUKRAINSKIYE VEDOMOSTI in Russian 14 Dec 94 p 5

[Interview with Anatoliy Halchynskyy, adviser to the Ukrainian president on macroeconomic issues, by Yuriy Kovalenko; place and date not given: "New Economic Policy"]

[FBIS Translated Text] Three years of skidding reforms in Ukraine have led to the increase of prices, the decline of the national currency, the recession in production, and the loss of worker incentive. The longer the economic crisis lasts, the lower the living standards of the majority of citizens will go and the greater the social instability will be.

Did the renewed structures of power actually begin to find a real way out of the crisis in 1994? This is the topic of our interview with Anatoliy Halchynskyy, adviser to the Ukrainian president on macroeconomic issues.

[Kovalenko] Anatoliy Stepanovych, the well-known "shock-therapist" Leszek Balcerowicz once said that, in the long run, industrious people need only two external conditions to lead a normal life: a stable (or, at least, predictable) monetary unit and freedom to conduct private business. These are what the reformers in Poland strived to achieve. Can we add this formula to our arsenal, as well?

[Halchynskyy] Undoubtedly. In dry official language, this is worded by us as follows: A structural reconstruction of the Ukrainian economy for the purpose of creating a socially oriented and efficient market economy. To secure all this, President Leonid Kuchma, in his parliamentary address of 11 October, presented a generalized methodology of reforms and determined their direction, taking into account the real situation.

I think it is important to emphasize that this address, approved by the parliament, is fully grounded on the president's election platform.

[Kovalenko] It is rather unlikely that the majority of citizens have thoroughly studied the president's address. Judging by what people say, the entire body of reforms amounts to the "liberalization of prices" and the "unification of the karbovanets rate..."

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[Halchynskyy] I will list the basic tenets, stemming from the above-mentioned address:

- A rigid credit policy and financial discipline. (This means, first of all, a policy of "costly money" [dorogiye dengi], when the National Bank is able to sustain a positive rate of refinancing for every client).
- Control over state expenditures. The state budget deficit in the first stage should not exceed 8-10 percent.
- The suspension of subsidies and preferential credits, setting into work the mechanism for the bankruptcy of enterprises.
- The liberalization of prices.
- A unified hard currency rate of national monetary unit.
- The liberalization of foreign trade while maintaining state control over dumping prices.
- The destatization of the economy. (Privatizing, issuing stock, granting commodity status to all kinds of resources).
- Targeted social assistance. (Helping people, not enterprises).
- Legislation and taxation to stimulate entrepreneurship and protect private property.

The implementation of these simple proposals and methods includes the drama of every country trying to reform its economy. It is because the simplicity of that implementation is purely superficial; to implement them, one needs to take into account all socioeconomic peculiarities and contradictions, which have formed in society.

[Kovalenko] Anatoliy Stepanovych, an analysis of recent events and publications seemingly allows us to state that the starting conditions of our present reform of the Ukrainian economy are not very favorable.

[Halchynskyy] First, the most convenient term for starting all-round reforms this year was in May-July. Inflation was at its lowest level at that time. The recession in production was halted; there were even growth trends in production. One could see a relative stabilization of the karbovanets and a seasonal satiation of the market with goods. Neither the Cabinet of Ministers nor the Supreme Council were able to take advantage of this opportunity. The presidential structures were undergoing changes at that time.

Second, the operating structures of power did not find any non-money-issuing ways of resolving problems of the state budget deficit and supporting especially deplorable branches; they also did not renounce mass state procurements of agricultural production. As a result, 64 trillion karbovantsi issued by the National Bank (almost 40 percent of the annual money emission) were put into circulation [zadeystvovany] by the government, with parliamentary approval, in July-September. In this way, hyperinflation by the end of the year has been all but predetermined.

Third, the Supreme Council halted the privatization in July, that is, the destatization of the economy has been frozen.

Fourth, before the president entered office, the formation of the government proved to be almost complete, and, to put it mildly, was not of very a reform-oriented nature.

I will add the following. As you remember, in August the president signed an edict on the unification of karbovanets' hard currency rate. The time for snapping that edict's mechanism into action was determined for the last few months of this year. It is sufficiently obvious that the edict does not impact on the current inflation rate. The smoothness of increases in the official karbovanets rate at the Ukrainian Interbank Currency Exchange excludes even an indirect influence and all idle talk. As a result, we have an almost civilized situation in the hard currency market today, and our exporters can stop worrying about it.

In this way, they will be supported by a legislative package of documents on liberalization of external economic activity, which is currently in force. Of course, one has to maintain control to prevent the registration of contracts from turning into a synonym for granting licenses and quotas.

The October resolution by the Cabinet of Minister on the liberalization of prices coincided in its timing with money-emission [emissionnaya] inflation. Therefore, one may say that we were presented with sort of an administrative increase in prices. However, the main thing in this resolution is a step forward from administrative interference in pricing policies, which will yield results in the future.

[Kovalenko] What next?

[Halchynskyy] We need a breakthrough in privatization. The edict on measures to safeguard citizens' rights for using privatization property certificates, of course, should be supported by the abolishment of the Supreme Council resolution halting privatization and by specific, realistic plans for 1995.

To elaborate the known edict on land shares and to safeguard radical reforms in agriculture, a conference of workers of Ukraine's agroindustrial sector will be held on 23 December.

Along with the parliamentary commission, we have prepared a package of changes and addenda to Ukraine's laws. The aim of these amendments is to legislatively support the reform process.

[Kovalenko] One can hear the opinion in the Supreme Council lobbies that there is an urgent need for 150 legislative acts to support reforms, but the required bills have not been submitted to parliament...

[Halchynskyy] Such statements are not completely correct. I have here a list of several dozen draft bills and

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other documents which were submitted by the government, but work on them has yet not been concluded in parliament.

Aside from this, the president has proposed the creation of a joint commission with the parliament for determining and preparing priority legislation.

Assistance to the parliament may also be rendered by presidential edicts. In Russia, for example, the following mechanism has been worked out: a presidential edict—its verification in practice—the adoption of a law by parliament, taking into account real life. In this case, work is not interrupted and laws are more stable.

[Kovalenko] Which of the president's initiatives is the most important today?

[Halchynskyy] In my opinion, this is a draft bill on power, which proposes that the Supreme Council work as an exclusively legislative body, and for the president to assume responsibility for the executive branch from the center down to the local level.

Official Details Agricultural Issues

WS2012160594 Kiev VSEUKRAINSKIYE VEDOMOSTI in Russian 15 Dec 94 p 5

[Vyacheslav Moiseyev report on news conference by Petro Sabluk, Ukrainian deputy prime minister for issues of the agro-industrial complex; place and date not given: "If We Resolve All Problems, We Will Be Rich"]

[FBIS Translated Text]

Harvesting

First of all, we will have to resow some 2 million hectares of winter crops in the spring. Second, according to norms, we now should begin to fertilize winter crops and protect them from infestation. We have amassed only 20 percent of the planned amount of fertilizers. Of course, we will not wait long for results. We will again lose a considerable portion of our harvest next year. Given a normal economy, the deputy prime minister emphasized during his meeting with the media, we could provide the state with products and export them to earn hard currency. We are currently using some 40 percent of our soil production capacity. According to expert estimates, if we use the remaining 60 percent, we could produce goods worth $60 billion. Such figures, however, are only dreams. We have already lost some 30 percent of our grain crops—or some $8 billion—due to mismanagement during the harvesting campaign this year. The amount of harvested grain—some 30 million tonnes—will enable us to not die from hunger.

We should not be concerned by the amount of our sugar reserves. They meet our requirements. We are experiencing a shortage of vegetable oil. Its reserves will be exhausted by early 1995. Kolkhozes are not delivering sunflower seeds to processing plants. We will have to discuss this issue with them, said the deputy prime minister.

The most important issue for the agricultural sector is the processing of agricultural goods. God only knows, how much we lose due to the lack of processing facilities. According to expert estimates, production capacities of our processing industry are some 10 times lower than those in the West. Our industrial enterprises should be specialized into new fields, such as producing "advanced" equipment for the agricultural sector to process agricultural products. Who, however, will help our industrial enterprises specialize in new fields?

Ownership Issue

In the opinion of Petro Sabluk, each product of human labor is a commodity. Therefore, the ability of soil to produce should also be viewed as a commodity. People should become private landowners, if it is otherwise, no one will take into consideration the opinion of those people who work the land. As for the forms of organization of labor, they can be different: collective, individual, family, and so on.

Where Is Justice?

The industrial and agricultural sectors are working in unequal conditions. For example, kolkhozes have to pay twice as much for electricity than they make from selling milk. Agricultural workers sell their goods at fixed prices, while industrial enterprises—free prices. The other issue is our banks. Their profits stand at some 300 percent, while those in the agricultural sector—7 percent. There is no need to discuss the issue as to where capital is flowing. Therefore, to launch economic reform, all sectors should be granted equal starting opportunities.

Who Is Against?

It is true that few agricultural workers favor profound changes in their sector. They are afraid of being divided into "kulaks" and "farm hands." All agricultural workers in kolkhozes are in more or less the same economic situation right now. If kolkhozes were organized by force in the 1930's, we should do the opposite now, however, on a nonviolent basis.

In Place of a Commentary

Petro Sabluk is an agricultural expert. He was born in a village and has devoted his entire life to our land. He has his own point of view on the matter. If this man cannot make our village rich and prosperous, we are doing something wrong.

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Belarus

Presidential Aide Resigns Over Corruption Charge

LD2012184794 Moscow INTERFAX in English 1736 GMT 20 Dec 94

[From the "Presidential Bulletin" feature: Compiled by Nikolay Zherebtsov and Andrey Pokrovskiy, edited by Vladimir Shishlin]

[FBIS Transcribed Text] The Belarusian president's Chief of Staff Leonid Sinitsyn resigned during the parliamentary session on Tuesday after leader of Free Trade Unions Sergey Antonchik presented a report on corruption in the president's apparatus.

Antonchik accused Sinitsyn of keeping files on the staffers of the president's apparatus and government. He also announced that Sinitsyn, who lived on "a modest civil servant's salary" managed to afford sending his son to the Houston University. He said that Sinitsyn had bought a carbine at a price eight times lower than its actual cost, thus inflicting damage on the state worth the cost of a Moskvich car.

Sinitsyn categorically rejected all accusations and said that he would not like to be "a thorn in the deputies' or president's side."

Defense Minister Colonel-General Anatol Kastenka, accused by Antonchik of corrupt housing dealings and power abuse, asked to free him from duties pending the investigation of the facts quoted in Antonchik's report.

Antonchik's sensational revelations also had to do with Prime Minister Mikhail Chyhir, who was accused of illegal extension of credits to commercial organizations during his time as leader of the Belagroprombank, which inflicted damage of several billion rubles on Belarus.

Belarus is run by four mafia clans: "agrarian, industrial, Chernobyl and foreign-trade," said Antonchik. He urged Lukashenka to dismiss the prime minister and his two deputies; the defense minister and the president's chief of staff.

He believes that "given such a team" Lukashenka must "resign" too.

President Sees Charges as Political

LD2012175194 Moscow ITAR-TASS in English 1627 GMT 20 Dec 94

[By BELINFORM for ITAR-TASS]

[FBIS Transcribed Text] Minsk December 20 (TASS)—President Alyaksandr Lukashenka of Belarus categorically disagreed with alleged facts of corruption in his administration which were cited in the report by deputy Sergey Antonchik.

Speaking in the parliament today the head of state said that these facts had been "turned inside out."

The president believes that the reason behind this statement by opposition deputy Sergey Antonchik is preparation of certain political forces for the oncoming election to parliament.

Alyaksandr Lukashenka does not intend to accept the resignation of three responsible officials from his team—Leonid Sinitsyn, head of the president's administration, Ivan Titenkov, business manager of the administration, and Anatol Kastenka, defense minister, against whom accusations were brought. The president said he would defend all the three.

"I cannot, as a man, betray at a hard moment the people together with whom i began my work and will continue to work as long as I believe in them," the head of state emphasized.

The president informed he would soon submit to the Supreme Soviet the results of measures connected with the facts cited in the report which he made in parliament a year ago as chairman of the anti- corruption commission.

Alyaksandr Lukashenka addressed the prosecutor-general of the republic asking him to investigate the materials on corruption submitted by deputy Sergey Antonchik, and stated he would resign "if there was a slightest "hitch" with respect to the president."

'Dynamics' Force Lukashenka To Face Many Issues

MK2012142794 Moscow NEZAVISIMAYA GAZETA in Russian 20 Dec 94 p 2

[Yuras Karmanov report in the "Belarus" column: "Minsk's Energy Dependence on Moscow Is Growing. Hryb and Lukashenka Have Different Guidelines"]

[FBIS Translated Text] The "Eastern vector" in Minsk's policy again made itself felt during the Budapest summit of the CSCE member states. In his statement Alyaksandr Lukashenka expressed concern about NATO's moving its borders to Belarus. In view of the Brussels failure of the Russian "Russia-NATO" program and Belarus's subsequent refusal to join the NATO Partnership for Peace program, the official Minsk position should be seen as having been made clear once and for all. The dynamics of geopolitical changes in Eastern Europe, conditioned by the drift by the Baltic states and the Visegrad group toward NATO, is forcing Belarus to define its own place. The memorandum on security guarantees, signed in Budapest by Great Britain, the United States, and Russia, to a large extent eases confrontation between countries orientated toward Russia and those oriented toward NATO, without, however, removing the cause of the confrontation. In practice this will mean that Russia's aspiration to keep Belarus within the sphere of its political influence will be growing in direct proportion to the growth of confrontation in the East European region. In this process, its energy dependence on Russian oil and gas is becoming the main lever

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to pressure Minsk. Belarus's debt to Russia for gas supplies has exceeded 1 trillion Russian rubles. The conflict between Minsk and Ankara, provoked by a mild wave of spy mania, with a subsequent rupture of diplomatic relations, in the runup to a switchover to world prices in mutual settlements for energy carriers between Minsk and Moscow deprives the republic of an alternative to Russian oil. This alternative could have been the Baltic-Black Sea terminal [kollektor] envisioning the participation of Turkey, the Baltic countries, and the Visegrad group. The pending agreement on a customs union, with a leading role for Russia, creates all prerequisites for Belarus's economic incorporation.

The emerging military-political integration of Russia and Belarus within the framework of the Collective Security Treaty, signed by ex-speaker Stanislaw Shushkevich but not ratified by the Belarusian parliament, can become a starting point toward the formalization of two confrontation blocs in Eastern Europe. The so called "cordon sanitaire" option, as a possible buffer between Russia and Europe with the participation of Ukraine, Belarus, and the Baltics, can be counted out automatically. The official moves by Belarusian parliament Speaker Myacheslaw Hryb can been seen as an attempt to create a counterweight to the Belarusian Foreign Ministry's official position. Recently he has stepped up his activities on the world arena, by visiting the United States, Poland, and Britain. Hryb does not consider it necessary to coordinate his moves with the republic Foreign Ministry. Attending the 40th session of the North Atlantic Assembly, Hryb spoke in support of Belarus's earliest possible accession to Partnership for Peace. The head of parliament did not read in the Visegrad group's wish to join NATO any negative consequences for Belarus. The Belarusian parliament speaker described their position as quite reasonable and justified, so saying at a press conference on the results of his visit. Moreover, when in Warsaw, Hryb began to discuss the question of Belarus joining the Visegrad group, in which Lithuania and Ukraine are also seeking membership, and even obtained a promise of support from Hungary and Poland.

In all probability, Myacheslaw Hryb's attempts to create an alternative to Lukashenka's one-sided orientation toward the Kremlin are dictated by the awareness of the fallout within the country from open confrontation between Moscow and the West. Given that the Supreme Soviet has not as yet defined the country's foreign policy doctrine, disputes about Belarus's geopolitical affiliation are already taking on the character of open polemics. The mounting pro- Russian movement, which has risen on the wave of the "Eastern vector" proclaimed by Lukashenka, is running the risk at a certain point of colliding with the "Western vector" of the democratic opposition, which is seeking support in the opposing camp.

The attitudes in Belarus to the events in Chechnya demonstrate the remoteness of the two poles. Addressing a press conference by the democratic opposition, Belarusian National Front leader Zenon Poznyak described the Chechnya developments as the beginning of the restoration of an imperial Russia. He said that the Belarusian National Front Seym has decided to send Dzhokhar Dudayev a letter expressing admiration for the fortitude of the Chechen people in the struggle for the right of nations to self-determination. The Belarusian National Front leader assessed the Belarusian president's silence as full support by Alyaksandr Lukashenka for the Kremlin's position.

Communists Hold Congress, Choose Priorities

MM2012105994 Moscow PRAVDA in Russian 20 Dec 94 p 1

[ITAR-TASS, PRAVDA, POSTFACTUM column report: "Hammer and Sickle Still Glitter"]

[FBIS Translated Text] The Third Congress of the Party of Communists of Belorussia [Belarus] has been held. It was decided that its activity would be channeled into resolving three main tasks in the near future—strengthening the party, unifying the left-wing and patriotic forces, and active work in the upcoming campaign for elections of Supreme Soviet deputies. The Congress confirmed the party's new name—the Belorussian Party of Communists. The Belarusian abbreviation and logo remain the same.

Moldova

Sangheli Discusses Romanian Relations

AU2012131794 Chisinau BASAPRESS in English 1830 GMT 17 Dec 94

[FBIS Transcribed Text] Chisinau, BASAPRESS, 17/12/1994—At a meeting with the delegation of the Democratic Union of Hungarians in Romania [UDMR], Moldovan Prime Minister Andrei Sangheli said: "I would even agree to disrupt right away our economic collaboration with Russia, Ukraine, Belarus and other countries from the former Soviet Union, if Romania is able to offer us the help we get from the Eastern market," says the Moldovan Democratic Agrarian Party (PDAM) newspaper PAMANT SI OAMENI. In Sangheli's opinion "this cannot happen because Romania itself seeks to improve the economic relations with Russia." Appreciating the relations with Romania as good, Sangheli said at the same time that "some declarations launched by top state officials are utterly offending to our people, and the declarations do nothing else than mar the good neighborly relations between Moldova and Romania." PAMANT SI OAMENI devotes three pages to the visit of the UDMR deputies to Moldova referring to this visit as an event of major importance.

PDAM Seeks Political Partners

AU2012172194 Chisinau INFOTAG in English 1930 GMT 19 Dec 94

["Political Commentary": "The Agrarian Democratic Party of Moldova Seeks Political Partners in Romania"]

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[FBIS Transcribed Text] Chisinau INFOTAG, 19/12/1994—A Romanian Hungarians Democratic Union (UDMR) delegation headed by UDMR chairman Bela Marko visited Moldova. The importance of his visit for the Chisinau ruling party can be inferred from several clues. One, the most eloquent, is the unusually great space reserved by the Agrarian Democratic Party of Moldova [PDAM] newspaper PAMANT SI OAMENI to articles on the UDMR delegation's visit. The delegation met with the majority faction, Socialist Unity and representatives of the Gagauz minority. The UDMR met with President Snegur and Premier Sangheli as well. Contrary to the initial program, the meeting with the Christian Democratic Popular Front [FPCD] faction was annulled without making fuss about it.

Why did the Chisinau ruling party prefer namely the UDMR as a political partner in Bucharest? Dumitru Motpan, PDAM chairman, gave the answer to this question in a press conference. The PDAM will cooperate with "any Romanian party which recognizes Moldova's independence and sovereignty," he said. Motpan said a similar invitation was sent to the Romanian ruling party. Pyotr Shornikov, Socialist Unity representative, stated to reporters after the meeting with UDMR parliamentarians that the Chisinau prefers this party for an obvious reason: "The other Romanian papers declared as their objective the unification with Bessarabia, while he UDMR fully recognizes Moldova's sovereignty and independence." The UDMR's options were revealed by Bela Marko when asked about the Romanian state's constitutional definition. "We do not contest its unitary character, but the term 'national.' A series of consequences which contest the right to language, autonomy, etc. derive from this definition," said Marko.

Asked if the manner in which the Moldovan Parliament solves the Gagauz problem could be used by the Romanian Hungarians Bela Marko said that any solution, no matter how good it may seem, cannot be automatically used. However, the principles on which the law on special status to Gagauzians is based are worth following, said Marko. He said that any community should have broader rights in order to settle the problems which concern it directly since "not only culture and education sustain an ethnic group's peculiarities." As to the "Moldovan nationalism" of which the Moldovan Government is accused, the UDMR leader did not give a clear answer implying that the Moldovan people supported this idea during the parliamentary elections. Dumitru Motpan, Moldovan deputy speaker, was very explicit saying that the idea of Great Moldova was brought forth on both banks of the Prut River as a response to the attempt of uniting Moldova with Romania. Commenting on the frequent statements that Bucharest-Chisinau relations have cooled, Motpan called them unfounded and said that the current relations are better than those before the February 1994 elections.

In a slight dissonance with this conclusion, Premier Andrei Sangheli stated during the meeting with the UDMR delegation: "I would stop immediately our economic cooperation with Russia, Ukraine, Belarus and other former Soviet republics if Romania would be able to grant us the help the East gives us." According to the newspaper PAMANT SI OAMENI, Sangheli was aware that "this cannot happen; Romania itself seeks to improve its relations with Russia."

Government Paper on Unification Issue

AU2012140594 Chisinau BASAPRESS in English 1830 GMT 17 Dec 94

[FBIS Transcribed Text] Chisinau, BASAPRESS, 17/12/1994—The Governmental newspaper NEZAVISIMAYA MOLDOVA reprinted an article by Bogdan P. Nistor from the weekly MOLODYOZH MOLDOVY in the column "Letters from Diaspora." "...Indeed, we want Moldova's unification, but not with Romania, with its current political structure and constitution; we want Moldova's unification with the former Moldovan regions situated in Romania," he said. "We, those who represent most of the Moldovan politicians (except the agents pay by Bucharest), favor this idea" also shared by leaders of the Moldovans' Union acting in the United States. Nistor said that Moldova always was "an independent state, with its national government, army and currency." He believes that after the 1859 unification the power in Romania was concentrated in the hands of people originating from southern Romania who discriminated other regions, including Moldova. However, "we, Moldovans, know very well that Iasi was the Romanian cultural center and not Wallachia or Oltenia or Bucharest" Nistor said that the Romanian Government is now interested in developing North Eastern Romania. "Romania's reorganization, its decentralization on the basis of economic regions is a condition for peace and stability insurance in Central Europe and the only opportunity to rise to the level of the developed countries," stated Nistor.

On Opposition to 'Greater Moldova'

AU2012155994 Chisinau BASAPRESS in English 1940 GMT 19 Dec 94

[FBIS Transcribed Text] Chisinau BASAPRESS, 19/12/1994—The article "Where are we heading, Moldovans? What expects us in the future?" published Saturday by the governmental newspaper NEZAVISIMAYA MOLDOVA is not the Moldovan Government's opinion, BASA learned from Ion Sofronie, governmental spokesman. The article spoke of a possible disintegration of Romania and unification of the Moldovan Republic with Moldovan regions situated in Romania. Sofroni said that the newspaper reprinted the article from MOLODEZH MOLDOVY. That it was reprinted does not mean that this is the government's opinion; it only proves the pluralism of opinions," he said. Last week at the press conference on Democratic Union of Hungarians in Romania (UDMR) delegation's visit to Chisinau, deputy speaker Dumitru Motpan said that the idea of

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creating Greater Moldova represents a response to those who launched the idea of unifying Moldova with Romania.

Communists Prepare for Local Elections

AU2012134094 Chisinau BASAPRESS in English 1830 GMT 17 Dec 94

[FBIS Transcribed Text] Chisinau, BASAPRESS, 16/12/1994—Vladimir Voronin, Moldovan Communist Party (PCM) co-chairman, stated that the PCM is likely to participate in local elections, though he earlier proposed to boycott the elections. Voronin toid BASAPRESS that under the current socio-political situation it would be better that local elections be held every two years and not four as the law stipulates. He also said that the law on electing town and village mayors is more democratic than that on appointing district executives and city mayors. In Voronin's opinion, not only old people but also all those who to not believe in the ruling party's ability to overcome the crisis will vote for the PCM. The PCM has branches in 32 districts. Voronin said that the coordination of actions with the Dniester population at local administrative levels is likely to occur. He excludes such cooperation with the Dniester Communist Party. "Our electoral slogan is social equity and guarantees," concluded Voronin.

Favor Creation of 'Unified State'

AU2112113694 Chisinau INFOTAG in English 2247 GMT 20 Dec 94

[FBIS Transcribed Text] Chisinau INFOTAG, 20/12/1994—The Moldovan communists support the idea of restoration of a unified state on the ex-USSR territory and will seek to implement the decisions of the 2nd Congress of the USSR Peoples held in Moscow last week, INFOTAG was told by a delegate to the forum, a member of the Moldovan communist delegation.

The congress set up a standing committee that would coordinate the restoration activities, he said. Its head is Ivan Melnikov, a leader in the Russian Communist Union. The congress adopted a series of documents, including the concept of renovating the union state, and the charter of the Union Movement. These documents shall be sent to the lawmakers in all ex-Soviet republics.

"We decided not to speak about the restoration of exactly the Soviet Union. But there is absolutely no doubt that the new state must be within the old Soviet borders. The committee will work for the denunciation of the Belovezh accords (on the breakup of the USSR—INFOTAG), for integration of the former Soviet nations, and for the restoration of the unity state," said the member of the Moldovan Communist Party (PCM). The work will be done in several directions and forms, including meetings in working collectives, citizens' rallies, and the creation of structural organizations in localities.

"We know that the former Soviet peoples want to live in a united powerful state, no matter its name. Sooner or later the goal shall be reached, which is being evidenced, among other, by the fact that the unification movement is being actively joined by all pro-communist organizations in Russia, which merged into the Russian Communist Union and are enjoying a broad popular support in all regions of Russia," the delegate said.

The congress gathered 1,050 delegates from all the 15 ex-Soviet republics, including a Moldovan and two Dniester delegations.

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Kazakhstan

U.S. Ambassador Addresses Conference on Land Sales

LD2112113794 Almaty PANORAMA in Russian 17 Dec 94 p5

[Unattributed article: "U.S. Ambassador Expressed Regret at Absence of Permission To Own land in Kazakhstan's Constitution"]

[FBIS Translated Text] The first auction of rights to own, use or lease plots of land is being prepared.

On 13 December a news conference was held in the Kazakhstan press club on holding the first auction in Kazakhstan of rights to own, use or lease land plots within Almaty. Taking part in the press conference were the chairman of the Almaty committee on land issues and land-tenure regulations, Beksyrga Danyshpanov, representatives of the state committee on land issues and land-tenure regulations, the International City Mayors Association (ICMA), the Almaty city administration, the city architecture department and the U.S. ambassador William Courtney.

According to a press-release, there are 12 sites to be put up at auction. Among them are plots with planning permission for 10 petrol stations, a public catering establishment, and a high-rise office block. Starting prices are from 160,000 tenge to 600,000 tenge. The auction is scheduled to be held in January 1995. Participants in it will have to register in advance and pay an advance fee to the Almaty city land committee.

Mr. Danyshpanov recalled that in accordance with the presidential decree of 5 April 1994 heads of local administrations are permitted to sell the right to lifelong land ownership to natural persons and the right to lease land for up to 99 years to legal persons, except state agricultural enterprises. The resolution of the Cabinet of Ministers of 14 June 1994 defines that in this case the head of a local administration, legal persons and citizens of the republic may be considered sellers and legal and natural persons buyers. Foreign legal and natural persons may be granted land on lease terms for temporary use. A further government resolution permits the heads of local administrations to hold auctions of rights to own, use and lease land plots which are of commercial interest.

In order to implement these documents of the president and government, and also to augment the city and republican budgets, the head of the Alma-Ata city administration, Shalbay Kulmakhanov, asked the Cabinet of Ministers for permission to hold the first experimental auction in Almaty. The response was positive: a temporary procedure for conducting such auctions was confirmed.

As Mr. Danyshpanov explained, the auction is the fourth in the CIS and the experience of holding similar auctions (held with the assistance of the ICMA too) in Moscow, Kharkov and Odessa will be used, whilst taking into consideration the special features of the republic.

He also reported that the State Committee on Land Issues had worked out the technical characteristics of the sites being offered and prepared information bulletins for participants. Composition of the auction valuation commission is still to be confirmed, though its chairman has already been appointed, namely Mr. Danyshpanov. The registration of participants has begun.

Deputy chairman of the city architecture and construction department, Mr. Akhmetov, added that changes in the use of the land being auctioned are possible because, in particular, there are many applications to purchase sites for building parking lots.

William Courtney congratulated the Kazakhs on behalf of the U.S. Government on holding their first land auction. He noted that although, unfortunately, the constitution of the Republic of Kazakhstan does not permit private ownership of land, even in this case, with an appropriate legislative basis, the effective use of land is possible. The ambassador is glad that Nursultan Nazarbayev supports the formation of such a basis in Kazakhstan.

"Land is a source of people's welfare and a way of saving and investing. Under Soviet power land lost its value because of its gratis distribution by bureaucratic methods," Mr. Courtney said in conclusion.

Answering the question of whether it would not be better to postpone land auctions until private ownership of land is legalized in the republic (the possibility of this has been confirmed by recent statements by the prime minister), Mr. Danyshpanov said that two separate institutions—ownership of land and the sale of the right to own land—should not be confused.

Concerning the time-scale for which the right to use land will be sold, Beksyrga Danyshpanov explained that the right to use land will be sold for life but may not be inherited. As for leases on plots of land the presidential decree set a term of 99 years. However the auction managers have taken into account that the construction of the city is continuing and these plots could be needed. Therefore the term of the leases is not long, but at least 10 years. Mr. Danyshpanov stressed that the use of plots available for lease envisages the construction of only temporary sites, such as parking places.

As regards the starting prices for sites being offered it was explained to journalists that the prices had been defined taking into account the rate set by the resolution of the Cabinet of Ministers of 14th July this year—50 tenge a square meter. However taking into account inflation the rate will be corrected (for example today it is 296 tenge). Such factors as a plot's situation, its infrastructure and the district's ecological condition are taken into account too.

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Those who gave the press conference frequently had difficulties in giving clear answers to journalists' questions and justified this by saying that the conditions of the auction would be published later in the official press. This fact is not surprising since the auction is of an experimental nature and many points need clarification. The only thing, which is surprising, is the haste in organizing the press conference. It is all the more surprising if we recall the precedent of the cancellation of another widely advertised experimental auction—the cheque and money auction. There is the impression that the representatives of the city administrative structures just wanted their presence to be noted by someone. Having come in large numbers to the meeting with journalists, they kept looking at their watches and left the press conference together after exactly 30 minutes.

Russians Disagree With Local Authorities in North

LD2112103194 Almaty PANORAMA in Russian 17 Dec 94 p 8

[FBIS Translated Text] As PANORAMA has previously reported, in Petropavlovsk organizers of an unsanctioned meeting held on 30 October at the initiative of the socialist party were put on trial. The leaders of regional departments of the Slavonic Lad society, the Russian community, the socialist party, and the Cossacks of Gorkiy line expressed their disagreement with the actions of the local authorities.

A few days ago, the head of the North Kazakhstan regional administration, Viktor Gartman, had a meeting with them.

During the conversation which lasted many hours, the representatives of the opposing sides tried to come to a mutually acceptable solution to the conflict. However, not only were the representatives of public movements against the actions of the head of the region, but so were deputies of the municipal council. Deputy Vladimir Desyatov accused Viktor Gartman of actually causing the collapse of the regional agro-industrial complex due to his incompetent leadership. Boris Suprunyuk called Mr. Gartman's actions in the post of the leader of the regional administration the actions of a casual worker. The Cossack ataman, Viktor Achkasov, demanded that the verdict of the municipal court on the opposition leaders be overturned.

The head of the regional administration, in his turn, tried to smooth over the conflict, calling for a move away from confrontation. He proposed a number of measures to stabilize the economic and political situation in the region, one of which is the energetic attraction of Russian capital to Kazakhstan's market. Apart from that, Mr. Gartman considers it essential to increase the number of joint ventures in the sphere of the former military industrial complex, including the participation of foreign capital.

Viktor Gartman also reported that a credit of 205 million tenge to solve regional economic problems had been allocated by the Cabinet of Ministers, but because of the high interest rate (250 percent) it could not be used by local enterprises. Only power engineering workers could afford to take 25 million. The money was allocated with guarantees from the regional administration.

As for the trial of the organizers of the meeting, the leaders of the public movements and socialists intend to appeal against the court's verdict.

Defense Ministry Discusses Poor State of Army

LD2112063094 Moscow ITAR-TASS in English 0623 GMT 21 Dec 94

[By ITAR-TASS correspondent Vladimir Akimov]

[FBIS Transcribed Text] Almaty 21 Dec (TASS)—Kazakhstan's Army has received only one-third of the resources earmarked for it in the state budget, and its officer corps is forty per cent undermanned, an extended meeting of the republic's Defence Ministry collegium was told today.

Other woes stem from insufficient supplies of material and technical resources and inadequate preparations for doing military duty in wintertime.

The extended meeting was called to consider the pressing issues in the development of the republic's armed forces, which are experiencing considerable difficulties as a result of the continuing economic crisis in Kazakhstan.

According to an unconfirmed report, President Nursultan Nazarbayev is taking part in the work of the Defence Ministry meeting.

Kyrgyzstan

Concern Expressed Over Chechen Developments

LD1912131394 Moscow ITAR-TASS in English 1251 GMT 19 Dec 94

[By ITAR-TASS correspondent Boris Maynayev]

[FBIS Transcribed Text] Bishkek December 19 TASS—The Central Asian republic of Kyrgyzstan expressed concern over the Chechen developments in Russia and warned they can destabilise the whole of the Caucasus.

A statement of the republican Foreign Ministry recognised on Monday [19 December] that the situation in Chechnya is an internal Russian affair, but said that the latest developments in the rebel republic "are fraught with serious negative consequences for the stability and calm in the Caucasus".

Kyrgyzstan expressed hope that the parties involved in the conflict "would display wisdom and use all efforts to avoid an escalation of the conflict and avert the possibility of a civil war".

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Chechen Developments Seen as Russian Internal Affair

LD2012211194 Moscow INTERFAX in English 1922 GMT 20 Dec 94

[FBIS Transcribed Text] Bishkek, Dec 20 (Interfax) —Kyrgyzstan considers developments in Chechnya as "Russia's domestic affair," Kyrgyz Foreign Minister Roza Otunbayeva told a briefing in Bishkek today.

She said she believed that "bloodshed must be avoided and the conflict must be resolved peacefully by political dialogue."

She said that Kyrgyzstan was working on a presentation document for legalizing its participation in the NATO Partnership for Peace program. Otunbayeva said that the foreign ministry was also working on a program for bilateral partnership between Kyrgyzstan and NATO.

She said Bishkek regarded the NATO Partnership for Peace program as a stage to Kyrgyzstan joining NATO.

For more details refer to the IF Diplomatic Panorama of December 21.

Tajikistan

UN Representative Prepares for Future Talks

LD2012183394 Dushanbe Radio Tajikistan Network in Uzbek 1300 GMT 20 Dec 94

[FBIS Translated Text] Ramiro Piriz-Ballon, special representative of the UN secretary general, arrived in Dushanbe today. He was met at Dushanbe airport by representatives of the Ministry of Foreign Affairs of the Republic of Tajikistan, ministers, and other officials. During the visit, Piriz-Ballon plans to familiarize himself with the preparations for the upcoming secret Tajik negotiations in Moscow. The date of the meeting is also to be set.

In addition, Piriz-Ballon plans to meet with Mr. Liviu Bota, the head of the UN observer mission in Tajikistan, and the heads of the UN military observers.

Country Joins Economic Commission for Europe

LD2112092194 Dushanbe Radio Tajikistan Network in Tajik 1700 GMT 20 Dec 94

[FBIS Translated Excerpt] The information department of the Tajik Foreign Ministry reports that on 13 December Tajikistan was admitted to the Economic Commission for Europe. [passage omitted]

The commission takes part in joint actions intended to develop economic activities in Europe and support and strengthen economic relations between European countries themselves as well as with other countries. It investigates and studies economic and technological problems and their progress in Europe as well as in the member countries of the commission. It also gathers economical, technological, and statistical information, and analyzes and publishes it. The managing body of the commission is a session which usually meets once a year.

The commission comprises 55 states.

Rakhmanov Attends 70th Anniversary of Security Ministry

LD2012192794 Dushanbe Radio Tajikistan Network in Tajik 1700 GMT 20 Dec 94

[FBIS Translated Excerpt] The work force of the Security Ministry of Tajikistan is celebrating its holiday. The Security Ministry is celebrating its 70th anniversary. A festive meeting took place on this occasion in Dushanbe today.

Speaking at the meeting, Tajik President Emomali Rakhmanov highly assessed the contribution of the work force of the Security Ministry in restoring the constitutional structure in the republic, protecting national and state interests, guarding the state border, and returning refugees home from Afghanistan. The head of state pointed out, that currently the work force of this important ministry is facing tasks, the aim of which is to further strengthen peace and tranquility in the Tajik land. Confiscation and disarming armed illegal groups and strengthening the fight against criminals in the field of economy belong to them. [passage omitted]

Uzbekistan

Delegation Returns From U.S.; Agreement Signed

LD2012060094 Tashkent NARODNOYE SLOVO in Russian 20 Dec 94 p1

[FBIS Translated Text] From 14-16 December this year, a government delegation from the Republic of Uzbekistan, headed by Otkir Sultanov, deputy prime minister and minister of foreign economic relations, visited Washington.

During the visit, talks were held in the U.S. State Department with leading trade representatives and trade, finance, and agricultural departments and in the Export-Import Bank and the Overseas Private Investment Corporation.

As a result of the talks, a bilateral intergovernmental agreement on encouraging investments and their mutual protection was signed. For the American side the document was signed by ambassador M. Kantor, the U.S. trade representative.

The agreement guarantees a most favorable regime for mutual investments. The document envisions the free and unhindered transfer of capital and profits, access to international arbitration and other generally recognized standards in the sphere of protecting capital investments.

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This agreement is a further major joint step along the path of developing and strengthening mutually beneficial trade and economic relations between Uzbekistan and the United States. This agreement, along with the previously signed agreement on trade, is a key element in creating an open and favorable investment regime both for government programs and private business.

U.S. Observer Meets Election Commission Chairman

LD2012093394 Tashkent Uzbekistan Television in Uzbek 1530 GMT 14 Dec 94

[FBIS Translated Text] There is no doubt that the elections to the Supreme Assembly which will take place on 25 December will be an important phase in the history of our country. That is why representatives of foreign countries and international organizations are attentively observing the preparations for the elections and particularly recognize that the elections will be on a free and democratic basis.

A meeting with a representative of the U.S. International Foundation for Electoral Systems at the Central Electoral Commission of the Republic of Uzbekistan today was evidence of that. Dan Blessington, the representative of the international foundation, said that he was very interested in the process of the elections in our republic and put several questions to Kudrat Ahmedov, chairman of Uzbekistan's Central Electoral Commission, about the features of the elections and the preparations for them.

The chairman of the commission told the visitor about the laws adopted in a short period of time on the way to creating a state based on law, including the law on elections to the Supreme Assembly of the Republic of Uzbekistan; about the preparations for holding the elections on 25 December on a democratic and multi-party basis; about the work of the commission; and about the results of work in constituencies and polling stations. He noted that measures are being taken in accordance with the law in order to ensure the elections are held on a multi-party and alternative basis, and that candidates have been nominated from the People's Democratic Party, the Homeland Progress Party, and from representative departments of regional administrations. In general, he said that the people of Uzbekistan will take part in the elections in accordance with the rules on elections.

Russian Envoy Views Extensive Ties

LD2012231294 Tashkent VECHERNIY TASHKENT in Russian 20 Dec 94, p3

[FBIS Translated Text] The peoples of Uzbekistan and Russia are vitally interested in economic, scientific, and cultural cooperation between their states. Uzbek President Islam Karimov has repeatedly emphasized in his speeches that there is a great deal that links us, and that we should develop the traditions of good-neighborliness. How are these intentions being put into practice? Our correspondent talks to the Russian ambassador extraordinary and plenipotentiary ambassador in the Republic of Uzbekistan, Filipp Filippovich Sidorskiy.

[Correspondent] Fillip Filippovich, what trends are now to be observed in the mutual relations between Russia and Uzbekistan?

[Sidorskiy] I would like to note that relations between Russia and Uzbekistan are multilateral in nature and are developing in the economic, political, cultural and defense spheres.

Since Uzbekistan and Russia became independent states, 60 different agreements have been signed between them. This speaks of the fact that firm legal foundations for relations have been established between our countries. Some of these documents may not currently be working to the extent that one would want, like so many other agreements between CIS states, for many objective and subjective reasons. This can be quite easily explained by today's economic conditions, in which all states are directing their efforts not to external problems but to overcoming the internal difficulties they are facing in the process of reforming their economies.

Nevertheless, the legal foundations allow us to calculate that there is full justification and a very favorable basis for more productive cooperation.

To my mind, relations between Russia and Uzbekistan should be viewed not only from the angle of bilateral cooperation but also in the context of interrelationships with all CIS countries. Within the CIS framework, regular meetings are held between the heads of state, government, ministries and government departments at which over 400 very important documents regulating relations between the CIS members have been signed. In September this year an accord was reached on forming an Interstate Economic Committee which will be a coordinating body formulating and setting an economic union of the CIS countries.

[Correspondent] Under what conditions would the economic union start operating reasonably?

[Sidorskiy] The mechanism of the economic union will come into action and start operating at full speed once a mechanism for implementing the accords reached within the CIS framework has been put into action. But even today I think it is already necessary to be active in restoring disrupted economic ties on a new basis, along market economy lines, and to set up mutually beneficial economic and trade relations, without waiting for decisions by the CIS heads of the states and government. There are opportunities to do this at every level.

Initiative, persistence and a businesslike approach must be adopted in developing these ties.

The experience of recent years clearly shows that wherever government departments, industries and enterprises are run by people with economic sense, relations with Russia are not only being maintained but strengthened as well.

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The aspiration of our administrative regions to set up relations with Uzbek regions - and not only economic relations - is now quite tangible. You see, cooperation between different enterprises is nearly always accompanied by ties in science, technological development, culture and education. And now that regions and enterprises in your republic and in Russia have quite a lot of opportunities and rights to make independent contacts, cooperation between them must gain new impetus. This will not take place overnight, however; it will take time. There are many difficulties, but relations are widening.

I will cite an example in order not to make unsubstantiated statements. Recently a fairly high-ranking delegation from the Novosibirsk regional administration visited Tashkent. It was not the first visit from Novosibirsk, either. A large and wide-ranging program of cooperation is being prepared, and it is not just economics that it covers.

Novosibirsk Region has great potential in both science and culture.

We recently received a letter from Altay Region, which is showing genuine interest in cooperation with Uzbekistan. Relations between Yaroslavl, Vladimir, Ivanov and other Russian regions and regions and towns in Uzbekistan are actively developing.

Unfortunately, the cultural ties between our countries today are not as broad as they used to be. But work is already under way to revive such good traditions as the Uzbekistan Culture Days in Russia and Russian Days in Uzbekistan. Uzbek Culture Days will probably be held in Moscow in March. Russian film weeks in Uzbekistan are now being organized.

I think this is only the beginning of the consolidation of ties between our countries. Since relations between Russia and Uzbekistan are deeply-rooted in the past, the destinies of these two states are similar in many respects. The acquisition of independence provides an opportunity to build Russian-Uzbek relations on a qualitatively different level from before; on the basis of equal and good-neighbourly partnership.

[Correspondent] Uzbekistan is preparing for elections to the Supreme Assembly. Are you following the election campaign?

[Sidorskiy] I am not only following its progress but I could be said to have an interest both in the election campaign and the election process itself being held on a democratic basis, and in voters' rights being observed in full, because the Central Election Commission has invited me to take part in the elections as an observer.

I recently took part in the seminar-conference of chairmen of election commissions from all over Uzbekistan. I addressed it and shared the experience of parliamentary elections in Russia, both negative and positive experience. After all, negative experience is still a kind of experience, and could help avoid the errors which Russians have come up against during the elections. There is no insurance against such errors, especially in a young democracy.

Elections hold great significance for any state. They are especially important for Uzbekistan since they are practically the first elections to be held on a democratic and multiparty basis, under the conditions of independence. A new structure of legislative power is being created, and those who are elected as deputies to the Supreme Assembly will decide what the country's policies will be for a five-year period. That is why it is so important that the work should be built up on a multiparty basis.

In Uzbekistan's conditions, the participation in parliament of representatives from two parties - the People's Democratic Party of Uzbekistan and the Homeland Progress party - will first of all lend the Supreme Assembly's work the spirit of competitiveness, with each party seeking to best represent and defend the interests of its voters; and second, it will be much easier to solve the problems which the deputies will face. And these tasks which the young independent republic has set itself are very responsible ones: radical reforms both in political life and in economy.

The transition period in any state is a difficult and painful process. Not only are economic relations broken up, but, as your President Islam Karimov noted at the Budapest meeting of the Conference on Security and Cooperation in Europe, it is impossible to ensure that the reforms are irreversible without a radical transformation in thinking and attitudes to private ownership and democratic values.

That is why the new parliament will face a great deal of intensive work both to create new laws which will be in line with the development and formation of the economy, to amend existing laws, and to revive the region's cultural and historical roots as well as the mentality of Uzbekistan's people, as Islam Karimov said in Budapest.

In many respects the productiveness of a parliament's activities depends on its composition and on the professional qualities of the members of parliament. An analysis of the nominees for the post of Supreme Assembly deputy will speak for itself. Many of them have economic or legal educations, and there are many people from academia and industry among them. Thus, to my mind, the future members of parliament will be able to set about the business of legislation in a quite professional manner. Under current conditions this is extremely necessary not only for Uzbekistan, just as one might think, but also for cooperation both between the CIS countries' parliaments and for international interparliamentary work.

You know, the tasks facing the parliaments of CIS countries must have points in common in order to

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organize re-integration, above all economic re-integration. The legislation which will further this process and help set up economic, scientific and cultural relations between CIS countries will largely depend on the parliamentarians.

I think that your republic's policies are directed toward widening and strengthening both international relations and relations between all the CIS republics.

Islam Karimov's recent trip to Ukraine and the expected high-level contacts with Belarus prove the republic's interest in cooperation. Future questions relating to Uzbekistan foreign policy will largely depend on those who are elected to the Supreme Assembly.

As an observer of the election process, I can say that all the candidates enjoy equal conditions in the election campaign, that their election programs are being given equal coverage in the newspapers and on radio and television and that they are given equal opportunities to meet the voters.

Karimov Speaks on Economy, Currency

LD1712152294 Tashkent Uzbekistan Television in Uzbek 1630 GMT 16 Dec 94

[Speech by President Islam Karimov at a meeting of the interdepartmental council on economic reform, enterprise, and foreign investments held in Tashkent on 16 December; Karimov speaks in Uzbek and Russian—recorded]

[FBIS Translated Excerpt] [Passage omitted] I want to speak to you definitely about the results of 1994. Some time ago we were weaker than Turkmenistan. Some time ago we depended on the republics around us; if we look at the balance of exports and imports we imported more and exported less. What does this mean? That a country which imports more than it exports surely has to pay for that and, nowadays, in hard currency—in dollars or in some other hard currency. The balance of imports and exports is of very great importance, and many economists know it.

Today I want to tell you the definite figures. At present Uzbekistan reckons only with Russia; as regards other states in the balance of imports and exports, we are not weak any more. Quite the reverse is happening. All the states around us, let us say, have fallen into debt to us; it is not us but they who owe us money. As regards this problem, I think, a person who envisages the future and development and results of the economy understands well that if we fulfill the tasks facing us, this will be the main foundation of our economic independence.

The first, the main task, and the problem that is crucial for us and for our reforms and vital in getting through the reforms, not to mention for their success, is, as you know, the denationalization and privatization of property, giving property to its true owner. This is not the first time I have spoken about this. I have spoken about it in many places. If we do not solve this issue nothing will be achieved. Property should find its owner. Only after property finds its owner will we be able to implement the reforms in other fields. This is the first and main task. If we get through privatization, when each property owner feels himself to be the real owner, only then can we speak about the changes in our lives.

Second, if we speak about our tasks in the new stage of development in the broad sense of the word, I think we should change the structure of our economy. What does this mean? We started working on this matter during the first stage. Namely, we should shift from being a base of raw materials to a country that produces finished products. That means producing competitive, high quality goods that meet world standards. And we should devote our lives to that. If we want to create our future in this sense we should cardinally transform the structure of the economy of Uzbekistan not to mention its production.

For there are certain countries who pin their hopes on selling oil, gas, and so on—for example, our neighbors. There is no need to mention it, but one of them says we will become Kuwait, another compares itself to Arab countries, a third builds castles in the air. All these ideas bear no fruit. Mark my words, these leaders are cheating their people. By selling oil and gas you can make a fortune today. But this fortune will not feed the people, it will make them dependent, remove them from production, and spoil people's minds. When is a man happy, when can he achieve his goals and be free? When he can feed himself, when he makes a product with his own hands and brains. Free life is possible in a country where people earn their bread with their own hands and brains.

Our third and last problem in the second phase of economic reforms is to strengthen our national currency. This is not a dream but a goal. I personally have no other desire in this problem except to achieve convertibility; in other words, the free exchange of this, our own som, our national currency, into hard currency—dollars, yen, the Japanese yen, German marks, and this kind of hard and authoritative currency—at least internal convertibility.

I would like you to know why I am using this expression. I said I have no other desire and this is because if our som is authoritative it will be an absolutely dramatic feature of, in other words, the main precondition for raising the economy to a new degree, a new phase in other words. There is no necessity to describe or propagandize the fact that they are inter-dependable. When our currency is hard, authoritative, and freely competitive with hard currency, only then will our economy be considered stable and grow freely in its own way.

My opinion is that in this regard we must not spare ourselves in applying all the possibilities. And in this regard, too, we have prepared the relevant programs. In my opinion and according to the calculations prepared by the Central Bank and Finance Ministry on this matter, we have to strengthen considerably the work of the interbank exchange market.

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Sometimes in my speeches I have said, people, do not look askance at the new owners of property; you should look at them with eyes of help. Mainly our activists, our leaders as a whole, must be properly responsible for this. Many people think that Karimov just speaks and does not ask for results. Such people are living in immature dreams. If the thing that I am talking about provides and strengthens our standard of living tomorrow, then why should we look at these problems in a bureaucratic way? Why there should be different misunderstandings, contradictions, and askance looks in these problems instead of all-round help? There is a saying in Uzbek: to look at a thing with envy instead of desire. I must give such people a boost and one by one bring them into the light. It is my aim. If people who occupy administrative posts look with envy instead of desire and help, then we should get rid of such people. They are impeding us in this work.

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Armenia

Ambassador to Egypt Takes President's Message to Ethiopia

NC2012191694 Yerevan Radio Yerevan International Service in Armenian 1615 GMT 20 Dec 94

[FBIS Translated Text] Some days ago Armenian Ambassador to Egypt Eduard Nalbandian visited Addis Ababa, where he met and held a lengthy conversation with Ethiopian President Meles Zenawi and handed him a message from Armenian President Levon Ter-Petrosyan.

The Armenian Foreign Ministry Press and Information Service told ARMENPRES that matters relating to bilateral ties and the furtherance of cooperation between the two countries in various fields were discussed during the private meeting. It was particularly emphasized that the traditional, centuries-old Armenian-Ethiopian friendship is a sound foundation for the forging of strong and practical ties between the two peoples in the present international conditions.

The ambassador explained to the Ethiopian president the main directions of Armenia's domestic and foreign policies, the progress of the economic reforms being undertaken in the republic, and Armenia's position on the peaceful resolution of the Karabakh conflict.

Zenawi requested that the ambassador convey his sincere friendly greetings to Armenian President Levon Ter-Petrosyan.

Eduard Nalbandyan met the Armenian community at the Ararat Club in Addis Ababa. Almost all the members of the nearly 150-strong Armenian community went there to get information from him on their distant homeland. The ambassador briefed them on the situation in Armenia, its successes and existing problems.

Senior Diplomat Faults Ankara for Lack of Ties

LD2012175994 Moscow INTERFAX in English 1714 GMT 20 Dec 94

[From the "Diplomatic Panorama" feature: Reports by our diplomatic correspondents Alexander Korzun, Igor Porshnev, Yevgeni Terekhov and others]

[FBIS Transcribed Text] Yerevan, Dec 20 (Interfax)—A senior Armenian diplomat has laid the blame for "lack of regular relations" between Armenia and Turkey on Ankara.

The diplomat told Interfax that Turkey refuses to establish diplomatic relations with Armenia before the latter recognizes the territorial integrity of Azerbaijan.

However, the Armenian leadership "does bear part of the blame" for the problems that exist between Turkey and Armenia, the diplomat said. "In November 1991 Yerevan failed to show enough flexibility and did not respond to an official note by the Turkish leadership which proposed opening a consulate general in the Armenian capital. After a while Turkey put forward preliminary conditions for establishing diplomatic relations," he said.

"Opening a Turkish consulate in Yerevan could have steered the Armenian-Turkish dialogue into a different channel," the diplomat surmised. "It can't be ruled out that, in case Yerevan had given a positive response to the note of the Turkish Foreign Ministry, Ankara would have taken a neutral position on the Nagorno-Karabakh problem and would have refrained from blockading Armenia. This would have enabled Armenia to make maximum use of its position and pursue a more independent foreign economic policy."

"Russian support alone makes Yerevan an equal dialogue partner for Ankara. If Armenia makes efficient use of its own potential, it can become the principal economic link between Turkey, Central Asian countries and Russia," the diplomat went on.

But "even after ethnic conflicts in the Caucasus have been settled, Armenian-Turkish ties can mainly develop within the framework of multilateral economic cooperation," he said. "Armenia and Turkey would hardly be able to have trade and economic relations, much less political relations, that are purely bilateral."

"There are not only historical but also strategic reasons for this, for Yerevan's main objective is to develop relations with Russia, Greece, Bulgaria and to a smaller extent with Syria and Iran," the diplomat explained.

Vice President Returns From Trip to Canada, U.S.

NC2012210094 Yerevan NOYAN TAPAN in English 1137 GMT 20 Dec 94

[FBIS Transcribed Text] 20/12/94 (NOYAN TAPAN)—Armenian Vice-President Gagik Harutyunyan's and acting chairman of MKR [Mountainous Karabakh Republic] Parliament Karen Baburyan's visit to the USA and Canada is over. The visit aimed to intensify the activity of local commissions of "Hayastan" [Armenia] All-Armenian Fund, to familiarize the Armenian diaspora with the activity of the fund, its programs, and namely the provision of necessary preconditions for the realization of "Artsakh" [Karabakh] project. Armenian president's press service told the NOYAN TAPAN agency that more than 30 meetings with the public in various towns of the USA and Canada were held. Besides, there were held 8 press conferences and other business talks with the representatives of different social and charitable organizations and business circles. Armenian Prime-Minister claimed that Armenian diaspora warmly hailed "Artsakh", "Earthquake zone", "Science and Culture" and other programs of the fund. A special attention was paid to the discussion of issues regarding

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the establishing a qualitative new system of all-round links between the motherland and diaspora.

Official Criticizes ICO Resolution on Nagorno-Karabakh

NC2012180994 Yerevan Radio Yerevan International Service in Armenian 1615 GMT 20 Dec 94

[FBIS Translated Text] We deplore the Islamic Conference Organization's [ICO] statement on Friday [16 December] in which Armenia is described as an aggressor in the Karabakh conflict. This was stated on Monday by Armenian Deputy Foreign Minister Vardan Voskanyan. He rejected such claims, arguing that the ICO's statement was motivated by political considerations.

The Armenian diplomat stressed that ICO expressed its position at the very moment when the CSCE summit resolutions have opened broad prospects for a political settlement to the Karabakh conflict. In our view, said Vardan Voskanyan, such statements could only obstruct and complicate the solution of the Karabakh problem. The deputy minister underlined that the Azerbaijani side is undermining the agreements reached within the framework of the CSCE Minsk Group, according to which the sides should have refrained from making such unfounded statements.

Chechnya Events Seen Part of Russian Power Struggle

NC2012210694 Yerevan SNARK in English 1149 GMT 20 Dec 94

[FBIS Transcribed Text] Yerevan, December 20 (SNARK)—Events in Chechnya are the culmination of internal political struggle in Russia, including struggle for leading posts in force ministries, think experts of Armenian Centre of National and Strategy Researches.

According to analysts, Russia disturbed "the sleeping dog" rather clumsy and maybe not totally thought over. The best confirmation is the fact that they did not limited only by military operation in Chechnya, and political consequences touches practically all nations of Northern Caucasus. According to the specialists, the most favorable conditions are created for powerful anti-Russian Islam axis rise, which can became a hinter [hindrance] for restoration of Russian geopolitical positions in Southern regions of the former Soviet Union. In fact, another anti-Russian front like Afghani-Tajik one, which will swallow up both men and material resources of the country. For instance, presently already Azerbaijan considers the Chechen conflict as serious claim of Russia to finally restore its positions in the region. It is not excluded that the taming of "obstinate" Azerbaijan in the problems with Caspian oil and defend of common borders with the CIS will became the next step. So, Russia's anxiety that Azerbaijan may became the main transit territory, through which military-financial additional fertilizing of Northern-Caucasus separatism, is not groundless.

Hostile Deputies Prevent Parliamentary Session

NC2012204494 Yerevan NOYAN TAPAN in English 1535 GMT 20 Dec 94

[FBIS Transcribed Text] 20/12/94 (NOYAN TAPAN)—On December 19 afternoon the Armenian Supreme Council still could not resume its work. A sitting scheduled at 16.30 also failed to take place for the lack of quorum. The Chairman of the Armenian Parliament Babken Araktsyan, who was also presiding over the session, announced the session closed. Vazgen Manukyan and Davit Vardanyan, who had previously relinquished their credentials as deputies were joined by another member of the Armenian National Democratic Union [NDU] Ludvig Khachatryan.

However, after the closing of the session was announced, almost all deputies refused to leave the sitting hall. An ambiance of great concern stirred by the murder of Hambartsum Galustyan reigned in the hall.

Albert Baghdasarian in his speech noted that the Acting Head of the State National Security Department Davit Shahnazaryan warned him that a group of provokers was destabilizing the situation in Armenia and that the following victim would be he—Albert Baghdasarian himself. Shahnazaryan even suggested Baghdasarian bodyguard, but the latter refused from it. Baghdasaryan stressed that an atmosphere of fear has been formed in the Republic. He blamed the Armenian President Levon Ter-Petrosyan, the Parliamentary Chairman Babken Araktsyan as well as two leaders of Armenia's ruling AANM [Armenian Pannational Movement] Party, namely Ter-Husik (Garush) Lazaryan and Eduard Yegoryan for establishing the atmosphere of terror in the Republic.

Shavarsh Kocharyan, the Chairman of the parliamentary faction "National Democrats" announced about resignation of other members of NDU as deputies of the Armenian Supreme Council. "We regret that the Parliament elected in accordance with Armenian people's will, is losing its value. If the Parliament could have demonstrated consolidation, Armenia would not have had to face the current situation", concluded Kocharyan.

Kim Balayan, the member of ARF [Armenian Revolutionary Federation] "Dashnaktsutyun" and the member of the Presidium of Supreme Council spoke about the organized against him persecution. He said that he notified the Acting Head of the State National Security Department Davit Shahnazaryan and the Armenian Attorney-General Artavazd Gevorgyan about this fact. According to Balayan, the stony indifference by deputies engenders new violence. He noted that he was not afraid for his life, however, he worried about the safety of his children. Considering that protest is not a good way out

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chosen by the deputies-members of NDU Balayan, however, shared the concern expressed by them and suggested the Parliament uniting all efforts to find the way out of the current situation.

Ter-Petrosyan, Ararktsyan Fail To Attend Galustyan Funeral

NC2012205094 Yerevan SNARK in English 1509 GMT 20 Dec 94

["Armenian President and Parliament Chair Did Not Attend the Funeral of Their Fellow-Fighter"—SNARK headline]

[FBIS Transcribed Text] Yerevan, 20 December (SNARK)—Today Yerevan bid its farewell to the former major of the city, member of "Karabakh" committee, Hambartsum Galustyan, assassinated Saturday [17 December] near his house.

Neither the President Levon Ter-Petrosyan, nor the Parliament Speaker Babken Ararktsyan, and nor the Internal Minister Vano Siradeghyan were present at the funeral ceremony of a man who once was with them during "Karabakh" movement.

From Moscow, one of the "Democratic Russia" party leaders, Galina Starovoytova, arrived to funerals.

As yet the criminal that gunned Hambartsum Galustyan has not been found.

Press Reports on Political Developments

NC2012214094 Yerevan NOYAN TAPAN in English 1709 GMT 20 Dec 94

["Brief Press Round-Up of the Republic of Armenia. December 20, 1994."—NOYAN TAPAN headline]

[FBIS Transcribed Text] 20/12/94 (NOYAN TAPAN)—All the papers publish articles devoted to the tragic death of member of the "Karabakh" committee, former mayor of Yerevan Hambartsum Galustyan. "GOLOS ARMENII" daily writes: "Now everybody, who says a word against the authorities, should know that he can be killed any moment. There seems to be no other way for Armenian All-National Movement [AAM] to maintain its power till 2000. And since the people, having this aim are ready to do anything to reach it, it becomes clear that the murder of Hambartsum Galustyan is the evidence of the fact that the Rubicon is crossed.

The papers also report that on 19 December at the congress of the Supreme Council deputies Vazgen Manukyan, Davit Vardanyan and other members of the National Democratic Union faction declined all their responsibilities as a sign of protest against the fact that the deputies had rejected the proposal that the President and the Prosecutor General have speech at the congress. "YERKIR" daily publishes the statement of Kim Balayan on the issue: "This situation and our indifference tomorrow will become the reason of new murders."

"GOLOS ARMENII" opposition paper published at the first page Narek Mesropyan's article entitled "The Parliament Guarantees Lawlessness". The author writes that having refused to put on vote the issue of the speech of the President and Prosecutor General regarding the murder of Galustyan and the criminal situation in general, the Supreme Council in fact blessed the beginning of a political lawlessness in Armenia. "Against the proposal to listen to the country's leader the members of the AAM have chiefly voted. One can suppose, that this political organization, if it could be called one, has chosen the way of physical elimination of those, who disagrees on anything with it and is not going to be silent... Since the governing top is allowed to do anything it likes, there will be no breaking of the lawlessness. Understanding that, we must finally decide: If we really want to live on this land, then under who's leadership and how? And if we change nothing, then will we dare to state we are living?" writes Narek Mesropyan.

The paper also draws attention to the interview with Chairman of the Managing Board of the Ramkavar Azatakan [Democratic Liberal] Party Rouben Mirzakhanyan. Speaking about the double-Ramkavars [two factions of the Democratic Liberal Party] Mirzakhanyan says that this is the result of acts of some members of political circles, who are trying to create confusion in the election period. Describing the internal political situation in the republic, he says that Ramkavar Azatakan Party proved to be right: the way of the political struggle by means of rallies is extremely ineffective. He also says that a negative tendency shown by the authorities to strengthen the institute of resignation taking a military character causes a serious concern.

Ramkavar Azatakan Party's mouthpiece "AZG" daily publishes an interview with Russian Ambassador in Armenia Andrey Urnov. Speaking on the development and strengthening of neighbouring ties between the two countries, he says that the present co-operation is carried out in very hard objective conditions for two states. For instance, only a part of the pledged by Russia credit for the Armenian Atomic Power Station was shipped to Armenia. The Ambassador pledges that in the near future an important agreement is planned to be signed on the deployment of the Russian military bases in the Republic of Armenia. Touching upon the problem of the peace settlement of the Karabakh conflict, Ambassador Urnov said that the Russian plan had advantages over the that of the OSCE [CSCE]. Russia has some experience in the settlement of conflicts in the post-Soviet territories; it also has a large contingent of peacekeeping forces. OSCE has none of those. However, says the Russian Ambassador, despite all advantages of the Russian program, it is still opposed by an unfruitful project. "Naturally a question comes up: Isn't the peace settlement sacrificed to someone's political wish to prevent the charitable mission of Russia in Transcaucasia," says Andrey Urnov. At the end the Ambassador said he hoped for a positive result of the Armenian-Azerbaijani

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negotiations held under the Russian mediation. He noted, such debatable issues as Shusha and Lachin should be negotiated.

"RESPUBLIKA ARMENIA" official daily publishes the report from the press-conference with famous businessman, President of the "Imperial" firm Arkadiy Vartanov, who had created the center of the Armenian-Russian initiative in Moscow. The organization is dedicated to the activization of the information-propagandistic activity covering the Karabakh problem, as well as rendering help to the people of Armenia. The paper also reports that "Dream" supermarket has been opened in the center of Yerevan. Armenian Revolutionary Federation [Dashnaktsutyun] Party's mouthpiece "YERKIR" daily publishes Razmik Davoyan's letter. Davoyan expresses protest against and concern over the arrest of member of Dashnaktsutyun Party Hrand Margaryan in his letter. The famous writer asks "whether the Azerbaijanian authorities know that Hrand Margaryan is in jail. If they do, they ought to that ours for that." [sentence as received] The paper also publishes the letter of the representatives of the women's public organizations where the protest against the arrest of Hrand Margaryan is expressed. "LRAGIR" daily reports that the process of liquidation of banks has been activated lately. Already 6 banks have been split. Commenting on this event, first under-chairman of the Armenian Central Bank Danielyan noted that this natural process was conditioned by the strict policy carried out by the Central Bank.

Georgia

Communique Shows Ties With Turkey Developing 'Dynamically'

AU2112082994 Tbilisi SAKARTVELOS RESPUBLIKA in Georgian 2 Dec 94 p 1

[Communique issued in Tbilisi dated 15 November: "Joint Communique in Connection With the Visit to Tbilisi of His Excellency Batoni (Georgian polite form of address) Suleyman Demirel, Republic of Turkey President"]

[FBIS Translated Text] On the invitation of His Excellency Eduard Shevardnadze, Republic of Georgia head of state, His Excellency Suleyman Demirel, Republic of Turkey president, visited Tbilisi on 15 November.

The Republic of Georgia head of state and the Republic of Turkey president discussed questions of global and regional significance and exchanged views on bilateral cooperation.

The Georgia's head of state and the Turkish president welcomed the fact that the international community had recognized the independence and sovereignty of independent states within their internationally recognized borders. At the same time, they expressed their anxiety concerning such negative phenomena as regional, ethnic, and military conflicts that create a danger not only for regional but also international peace and security.

They confirmed their position regarding the fact that such problems need to be resolved in a just and swift manner and, from this point of view, pointed out in particular the role of international and regional organizations.

They agreed to strengthen their efforts along with international and regional organizations in order to settle these problems and establish peace, stability, and order in the region.

The Republic of Georgia head of state and the Republic of Turkey president welcomed the progress achieved within the framework of the Black Sea Economic Cooperation Organization and expressed hope that this would contribute toward partnership and mutual benefit and strengthen peace and stability in the region.

They pointed out the importance of stimulating mutually beneficial economic projects in such spheres as direct telecommunications, power engineering, transportation, and free [trade] zones.

Particular attention was devoted to bringing into operation the Eurasian communications corridor and, in particular, the necessity of accelerating the implementation of projects concerning the transit of sources of energy and they stated that they were ready to contribute to this in every way.

The Georgian head of state and the Turkish president discussed the question of opening new border crossings between the two countries and pointed out that they would do everything to bring them into operation in the near future.

They expressed satisfaction that economic, cultural, and political relations between the two countries were developing dynamically.

The Georgia's head of state and Turkey's president confirmed that it was their desire to continue bilateral consultations at the highest level in the future.

European Bank, Georgian Energy Department Sign Deal

LD2012180094 Tbilisi SAKINFORM in Russian 1600 GMT 20 Dec 94

[FBIS Translated Text] The European Bank and the Gruzenergo [Georgian Energy] Department have signed an agreement that envisages allocating a credit of $18.1 million to Gruzenergo in order to revive the energy system of Georgia. Head of State Eduard Shevardnadze has received the representatives of the European Bank and the Gruzenergo Department.

Shevardnadze, Ukrainian Envoy Discuss Kuchma's Future Visit

LD2012214194 Tbilisi Radio Tbilisi Network in Georgian 1800 GMT 20 Dec 94

[FBIS Translated Text] The Contact news agency has supplied us with a report by the press secretariat of the

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head of state that Eduard Shevardnadze, chairman of the Georgian parliament and head of state, received Anatoliy Fasyanenko, the ambassador extraordinary and plenipotentiary of Ukraine to Georgia, on 20 December. The ambassador familiarized the head of state with the official note by the Ministry of Foreign Affairs of Ukraine addressed to the Georgian Embassy to Ukraine. The note says that it is sorry that the visit to Georgia by the Ukrainian president scheduled for 21-22 December has been postponed until the first half of January of next year, as the president's participation in the work of the parliament session that will discuss the legislative issues connected with the current reforms under way in Ukraine, is necessary.

The ambassador spoke about the organizational issues connected with the impending visit, the proposed subjects for the discussion during the meeting between the leaders of Georgia and Ukraine, and the measures for deepening cooperation in economic and political spheres. Fasyanenko noted that a package of new agreements would be added to the package of interstate agreements signed previously. The new package of agreements will cover energy, transportation, cooperation, and the Eurasian corridor, as well as the cooperation between banks. Shevardnadze noted that relations between Ukraine and Georgia were a vivid example of the wish and necessity for integrating cooperation between the two countries.

Russians Taking Control of Port, 'Main Exits'

LD2112114094 Tbilisi IBERIA in Georgian 1000 GMT 21 Dec 94

[FBIS Translated Text] Tbilisi, 21 Dec—According to media reports on 20 December, the Georgia-Russia border has been closed. Although the reports mentioned only the suspension of air traffic, our correspondent has learned that the group of Russian troops in the Transcaucasus has taken the port of Poti and all main exits from Georgia to Russia under its control.

According to unconfirmed reports, the border will be guarded by the group of Russian troops in the Transcaucasus. Our correspondent contacted Lieutenant General Boris Dyukov [name as transliterated], a deputy commander of the group's headquarters, who categorically denied any involvement of the troops under his authority in guarding the border. Regarding Poti port, Lt. Gen. Dyukov said that Russian peacekeeping troops were there, but they were not under his command, and therefore he had no information concerning Poti.

Shevardnadze Orders Strengthening of Chechen Border

LD2012154394 Moscow INTERFAX in English 1510 GMT 20 Dec 94

[FBIS Transcribed Text] Tbilisi, Dec 20 (INTERFAX)—Georgian leader Eduard Shevardnadze has instructed the Security Service and Defense Ministry to strengthen the security of the Georgian-Chechen border, sources in the Security Service told INTERFAX.

These measures are expected to "seal the border with Chechnya and prevent the passing of armed individuals from Chechnya to Georgia and from Georgia to Chechnya," a source said.

Shevardnadze Meets With State Security Service Staff

LD1812093294 Tbilisi Radio Tbilisi Network in Georgian 0500 GMT 18 Dec 94

[FBIS Translated Text] Georgian Head of State Eduard Shevardnadze met the personnel of the Georgian Security Service. A substantial contribution of the Security Service to the current relative stability in Georgia was pointed out at the meeting.

The Security Service Director Igor Giorgadze said that significant changes had occurred within the structure of the Security Service. Special attention is attached to fighting against terrorism. The idea of impunity reigning within the public should be dispelled.

Special attention was attached to homicide and terrorist acts. Avtandil Ioseliani, deputy director of the security service, spoke in detail about the terrorist act committed on 3 December [assassination of Giorgi Chanturia, chairman of the National Democratic Party] and said that investigation was under way the proceedings of which are followed by the Georgian press [passage indistinct].

The meeting was also addressed by Archil Gogelia, general manager of the Georgian teleradio corporation and the Georgian Procurator General Jamlet Babilashvili.

The meeting was summed up by Head of State Eduard Shevardnadze.

Pledge To Restore Order to Power Supplies

LD1612185894 Moscow INTERFAX in English 1625 GMT 16 Dec 94

[From the "Presidential Bulletin" feature; compiled by Nikolay Zherebstov, Andrey Petrovskiy, and edited by Vladimir Shishlin]

[FBIS Transcribed Text] The head of state Eduard Shevardnadze has given an assurance that order will be restored to electricity and gas supply in the republic as of the start of next year. "The practice when, in fact, no one pays for gas and electricity, will be ended," he has declared at an extended cabinet session in Tbilisi.

The situation withe energy supply to Georgia remains extremely tense, even though Turkmenistan resumed gas shipment to the republic a week ago. In Tbilisi, electricity is supplied to flats for no more than two hours a day. The metropolitan subway network—in fact, the

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only means of transportation in the city—has been stopped several times a day because of electricity shortage.

It was reported at the session that Georgia's Power Grid owes about 55 trillion coupons (1.41 million trades to one dollar) to the budget. As for consumers, their debt for gas totals 63 trillion coupons.

Speaking about a deficit free draft budget worth 273 trillion coupons, submitted by the Finance Minister Davit Yakobidze for 1995, Shevardnadze noted that "if industry does not work", this budget "will not cost much."

Shevardnadze Appoints Department Heads

AU1612182294 Tbilisi SAKARTVELOS RESPUBLIKA in Georgian 6 Dec 94 p 2

[Two Georgian head of state decrees and one directive on new appointments]

[FBIS Translated Text] Decree of the Republic of Georgia Head of State on Appointment of the Chairman of the Republic of Georgia Customs Department

To appoint Guram Mamulashvili as **chairman of the Republic of Georgia Customs Department.**

[signed] E. Shevardnadze.

Decree of the Republic of Georgia Head of State on the Appointment of G. Gamqrelidze as chairman of the Republic of Georgia "Sakenergo" [Georgian Power Production and Consumption] Department

To appoint Givi Gamqrelidze as **chairman of the Republic of Georgia "Sakenergo" department.**

[signed] E. Shevardnadze.

[dated] 1 December 1994.

By an edict of the Georgian head of state

Archil Gegeshidze has been appointed as assistant to the Georgian head of state on questions of the country's security.

Vakhtang Kvaratskhelia has been appointed as the plenipotentiary representative of the Georgian head of state in western Georgia-first deputy minister of state.

[signed] E. Shevardnadze.

[dated] 27 November 1994.

Increased Security Ordered for Political Groups

LD1912143494 Tbilisi Radio Tbilisi Network in Georgian 1300 GMT 19 Dec 94

[FBIS Translated Text] Georgian Head of State Eduard Shevardnadze has issued an edict on ensuring the security of political parties and organizations. The edict says: The Georgian State Security Service, the Interior Ministry, and the Government Guard Service shall carry out effectual measures to secure the activities of the political parties and organizations. The Georgian Government Guard Service shall carry out measures to ensure the personal security of the leaders of political parties and organizations on the basis of mutual agreement.

The edict is signed by Head of State Eduard Shevardnadze.

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Estonia

U.S. Embassy Protest Urges End to Chechen Bloodshed

WS2012152094 Tallinn ETA in English 0800 GMT 20 Dec 94

[From Dec 20 RAHVA HAAL p. 4; "News Bulletin" No. 248/94]

[FBIS Transcribed Text] The demonstration in front of the United States Embassy building in Tallinn yesterday was not directed towards America but towards the current foreign policy of the United States, a participant of the rally, the leader of the political party Better Estonia Juri Estam told. He said the heroic resistance of Chechen people to the aggressor calls for respect. "Unfortunately we once more witness a case where a small nation is being trampled by the tanks of imperialism".

The leader of the National Progress Party Ants Erm expressed gratitude to United States of America and Great Britain for a timely support to Estonia but called them to do all they can at the moment to stop the bloodshed in Chechenya.

The participants of the demonstration carried several slogans, one of them reminding Americans of their own history: "In the 1776 in America, In the 1994 in Chechenya."

Moscow Urged Not To Recognize Treaty

WS2112101094 Tallinn BNS in English 1557 GMT 20 Dec 94

[FBIS Transcribed Text] Tallinn, Dec 20, BNS—The Tallinn Union of Russian Citizens called the Russian government not to recognize the Tartu Peace Treaty of 1920 and turn down Prime Minister Andres Tarand's suggestions which, in the opinion of the organization, are aimed at "perpetuating the discrimination" of Estonia's Russian-speaking population.

A statement the union released Tuesday says that recognition of the Tartu Peace Treaty by Russia would mean acceptance of the principle of restitution according to which only descendants of Estonian citizens would be granted political and civic rights.

"Thereby Russia would recognize as legitimate a situation where one third of former citizens of Estonia will be deprived of the political rights they used to enjoy. It would also mean Russia's acceptance of the provision of the Tartu Peace Treaty under which all Russian citizens must leave the Estonian territory within a year of being granted citizenship," the statement says.

Prime Minister Andres Tarand while on a visit to Finland last week said Estonia was prepared to make concessions in its border dispute with Russia if Moscow recognized the validity of the Tartu Peace Treaty. The treaty concluded between the two states in 1920 gave Estonia about 2,000 square kilometers of land in the Petseri (or Pechory, as it is known in Russia) district and on the right bank of the Narva River. After the Soviet Union annexed the small Baltic state in 1940, the territories were handed over to Russia's Pskov and Leningrad regions.

Directing its attention to stipulations in the treaty unrelated to the border issue, the Union of Russian Citizens claims that the treaty "laid the foundation of repressions against Russian citizens." The union urges Estonian people to "step up the struggle for equal rights for all residents of Estonia" and mark on Feb. 2—the date of the Tartu Peace Treaty—"the 75th anniversary of the start of repressions."

Luik Says Border Agreement Needed for EU Membership

LD2012130994 Tallinn Estonian Television Network in Estonian 1900 GMT 19 Dec 94

[FBIS Translated Text] A possible compromise in Estonian-Russian border issues does not mean a sharp change in the principles of Estonian foreign policy, Foreign Minister Juri Luik said. Commenting on the proposal by Prime Minister Andres Tarand on 16 December in Helsinki to conclude a new border treaty with Russia, Luik stressed that recognition of the 1920 Tartu peace treaty would still remain the main issue in Estonian-Russian relations.

[Begin recording] [Luik] The Tartu peace treaty is not only about the border, but—those who have read the Tartu peace treaty know—there is also a clause about Russia giving up forever Estonia's territory and any claims on Estonia's territory. For Estonia, this is maybe the most important part of the Tartu peace treaty.

[Unidentified correspondent] We asked the foreign minister how much Estonia's decision to go for compromises in border issues was influenced by the intention to join the European Union.

[Luik] Nobody would like to have us in the organization if we have unresolved border issues. Estonia's eastern border would become the EU eastern border and the unsolved border disagreement or conflict would become a border conflict for the EU. It is clear that no EU member state is interested in such an approach.

[Correspondent] How would you comment on the fact that the government line to go for concessions was first heard by the Finnish public and only afterwards by the Estonian public?

[Luik] I think this should not be taken too dramatically. [end recording]

According to Luik, the possibilities of compromise have been discussed already for quite a long time, but Russia has so far not reacted to Estonia's proposal. Toivo Klaar, the head of the political department of the Foreign

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Ministry will meet Sergey Krylov, a Russian deputy foreign minister, in Moscow at the end of this week. The border issue will be one of the subjects of their discussion.

Tarand Views Constitutional Amendment To Adjust Border

WS2112100894 Tallinn BNS in English 1557 GMT 20 Dec 94

[FBIS Transcribed Text] Tallinn, Dec 20, BNS—Prime Minister Andres Tarand doesn't think the constitution has necessarily to be amended to adjust the Estonian-Russian border.

He said at a press conference on Tuesday [20 December] that, in his opinion, the wording of the constitution allowed to bypass the Tartu Peace Treaty as well as other pacts. But, should the people want to have the constitution amended, the question must be put on referendum, he added.

Tarand said on Saturday that Estonia was prepared to open negotiations with Russia over adjusting the frontier between the two states if Russia recognized the Tartu Peace Treaty of 1920.

"The primary condition for concluding a new border pact is that Russia again recognize the Tartu Peace Treaty as the international treaty under which the Estonian state was born," Tarand said.

The premier told correspondents today he'd been thinking over this issue for at least three years and that he'd been under "absolutely no pressure" to make the statement (on possible compromises on territory). President Lennart Meri is in course with the problem, he noted, adding that former Prime Minister Mart Laar's Cabinet had discussed the issue more than once.

The government head said the events in Chechnya may form a more or a less favorable for Estonia background for possible border negotiations with Russia, but they have no direct connection with the Estonian-Russian border.

The border issue was under discussion at today's session of the Cabinet, but the government reached no firm decision on the question. Since the discussion took place behind closed doors, the premier said it wouldn't be correct to make known what was said.

Several Estonian politicians, Coalition Party deputy chairman Endel Lippmaa among them, have voiced the opinion that Tarand's proposal to conclude a new border agreement with Russia was politically ill-timed.

Commercial Shipping Agreement Signed With Germany

LD2012181794 Tallinn Radio Tallinn Network in Estonian 1600 GMT 20 Dec 94

[FBIS Translated Text] Roads and Communications Minister Andi Meister and German Ambassador to Estonia Henning von Wistinghausen signed an intergovernmental agreement today on commercial shipping. Both sides will provide free access to ports for each other's vessels, provide spaces at quays, and enable the use of ports.

An essential part of the agreement is to acknowledge mutually seamen's identification documents and the related freedoms of seamen in ports.

Problems Facing Defense Industry Reorganization

WS2112101194 Tallinn BNS in English 1731 GMT 20 Dec 94

[FBIS Transcribed Text] Tallinn, Dec 20, BNS—Estonian authorities are still undecided on which enterprise to take as the basis for building up the country's defense industry. Meanwhile, the Defense Ministry is feverishly casting around for opportunities for manufacturing ammunition, grenades, and mines.

One of the options under consideration is restoring the domestic armaments industry on the basis of the state-run Arsenal factory. The Arsenal was established in 1992. Since then, the factory has fulfilled several Defense Ministry commissions. Although its technology is out of date, it is at present capable of repairing large-caliber weapons.

Defense Minister Enn Tupp, however, is not convinced it is the Arsenal factory that will become the cradle of Estonia's reviving defense industry.

"Perhaps the Arsenal should be privatized before making plans. First of all, we'll try to get the factory transferred under the Defense Ministry and see what can be done about it. I'm not at all sure the Arsenal can be restored to the level it had before World War II," Tupp told BNS last week.

Before the last world war, the Arsenal factory was the pride of the Estonian defense industry.

Tupp said last week that in the near future Estonia must be able to manufacture ammunition for small arms, grenades, and mines.

"We are perfectly capable of producing such ammunition. The problem is choosing the optimum option for starting production," he said.

Estonian authorities have been planning domestic production of grenades and mines since long. AS Erivasar has manufactured metal cases for grenades and BNS has information tests on the grenades have been run. However, mass production of neither grenades nor mines has got off the ground yet. One of the obstacles to domestic manufacture of ammunition is lack of detonators and percussion caps which Estonia hopes to buy abroad.

The Arbalett company based in the central Estonian town of Turi was also hopeful of launching production of cartridges, grenades, and mines, but so far it hasn't

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advanced beyond making explosive packages used as substitutes for ammunition in army field training.

Lithuania

Landsbergis Proposes Yeltsin Admit Chechnya To CIS

LD2012203794 Vilnius Radio Vilnius Network in Lithuanian 1900 GMT 20 Dec 94

[FBIS Translated Text] Vytautas Landsbergis, Seimas member, chairman of the Homeland Union, proposes in his telegram dispatched to Russian President Yeltsin today how to find a sensible and honest way out from the present situation, ELTA reports.

I have decided to propose to you to think about the following possible solution of the Russian-Chechen problem: By way of negotiations to grant to the Republic of Chechnya the status of commonwealth member, reads the telegram.

In Vytautas Landsbergis' view, if such a solution is acceptable to the leadership of the Chechen republic, the conflict would be resolved.

The ELTA correspondent was told by Landsbergis that his proposal has been prompted by views that Russia is influenced by various collateral forces and cannot do anything better. In his view, the Russian State Duma is divided into democratic and undemocratic forces and (?President Yeltsin has become their representative). But Vytautas Landsbergis could not directly speak with President Yeltsin on the telephone.

Talks With Russia on Transit Rules Possible This Week

WS2112095894 Tallinn BNS in English 1731 GMT 20 Dec 94

[FBIS Transcribed Text] Vilnius, Dec 20, BNS—The head of the Lithuanian working group for talks with the CIS, Virgilijus Bulovas, announced Tuesday [20 December] that his meeting with the head of the Russian negotiation team, Viktor Isakov, may be held in Moscow this week.

The date of the meeting is presently coordinated through the Lithuanian embassy in Moscow, Bulovas told BNS. He said there is no need to hold meeting between full delegations because "there is nothing to negotiate."

Bulovas said he wants to meet the head of Russian negotiators in order to find out whether both countries understand Lithuania's military transit rules in the same way.

Bulovas earlier announced that the rules, which take effect Jan. 1, may undergo certain changes. In his words, proposals made by both Russia and the Lithuanian opposition will be taken into account.

The Lithuanian working group and experts discussed possible changes at a meeting Monday. Bulovas said he soon intends to present specific proposals to the government for consideration.

Belarus Denies Knowledge on Whereabouts of Coup Plotters

WS2112100694 Tallinn BNS in English 1731 GMT 20 Dec 94

[FBIS Transcribed Text] Minsk, Dec 20, BNS—The Belarusian security has no information confirming that persons accused of conspiring to overthrow the Lithuanian government in January 1991 are present on the territory of Belarus, Uladzimir Yahoraw, head of the Belarusian KGB, told reporters Tuesday [20 December].

Meanwhile, Kestutis Betingis, Lithuanian chief prosecutor for crimes against the state, told the newspaper BELARUSKAYA DELOVAYA GAZETA that at least 7 persons charged with participating in the 1991 failed coup attempt are presently hiding in Belarus.

Betingis said Lithuania asked Belarusian authorities several times to extradite the suspects, but always received a standard answer that the whereabouts of these persons are not known to the Belarusian Prosecutor's Office.

Yahoraw said Tuesday that any information obtained by the KGB about the suspects wanted in Lithuania will be "handled with great care."

Yahoraw became especially cautious after the two main suspects in the case, leaders of the pro-Soviet Lithuanian Communist Party Mykolas Burokevicius and Juozas Jermalavicius were arrested in Minsk and extradited to Lithuania. The extradition aroused protests in Belarus and as a result, Yahoraw, then interior minister, was ejected from his post by the Belarusian parliament for giving permission to arrest the two without a written sanction from the prosecutor general.

President Unsure of Return to Party After Term Expires

WS1912100094 Tallinn BNS in English 1546 GMT 17 Dec 94

[FBIS Transcribed Text] Vilnius, Dec 17, BNS—Lithuanian President Algirdas Brazauskas, former leader of the Communist Party and subsequently of the ruling Democratic Labor Party, is undecided about whether he will return to the party after his term in office expires.

In an interview to the DIENA daily, Brazauskas said when asked about his plans that he didn't yet know and couldn't at present give an answer to that question.

"It'll depend on many things—how the party's going to develop, what its activity will be, who its members are. Life won't pass the party and its program by, but I have enough time to make my decision," the president said.

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According to the Lithuanian constitution, the president of the country cannot be a member of any party. Brazauskas suspended his membership in the Democratic Labor Party after he was elected president in 1993.

The DIENA interviewed Brazauskas in connection with the fifth anniversary of the separation of the Lithuanian Communist Party from the former Communist Party of the Soviet Union. The president is scheduled to address a conference to be held today in Vilnius to mark the occasion.

Brazauskas intends to touch in his speech on the events of five years ago. "Then, there was a great deal of emotion, uncertainty, difference of opinion. Now that five years have passed, one can attempt to reach a more accurate evaluation of things," he told the DIENA.

The split of the Lithuanian Communist Party from the CPSU at the end of 1989 became a prologue to the Independence Declaration of Lithuania adopted on March 11, 1990.

Nafta Oil Company Resumes Work; Oil Prospects Unclear

LD1912182894 Moscow INTERFAX in English 1625 GMT 19 Dec 94

[FBIS Transcribed Text] Vilnius, Dec 19 (Interfax)—After four weeks of standing idle, the Nafta oil refinery in the Lithuanian city of Mazeikiai has resumed work, Nafta managers told Interfax on Monday [19 December].

At the beginning of the year, Nafta concluded an agreement with the Russian Lukoil concern for the supplies of 6 million tonnes of oil in 1994. The agreement, however, has not been implemented. Lithuanian Prime Minister Adolfas Slezevicius said that by the beginning of December only 1 million tonnes of oil had arrived from Russia, causing Nafta to begin the fourth idle period this year on December 17.

Oil supplies were resumed last Friday, Nafta will receive 150,000 tonnes of oil from Lukoil in the near future. In addition to this, 40,000 tonnes of oil, intended for Russia's Kaliningrad Region, has arrived at Nafta from the Rosneft company.

The end of 1994 will prove to be a busy time for Nafta. However, prospects for obtaining oil in 1995 are still unclear, the Nafta managers told Interfax.

According to some sources, an agreement might be concluded with Lukoil, under which Nafta is to receive 250,000 tonnes of oil monthly, meaning that a total of about 3 million tonnes of oil will be supplied to it in 1995. In addition to this, Rosneft will instruct Nafta to refine 100,000 tonnes of oil monthly for the Kaliningrad Region. "However, one can't be certain that the agreements will be concluded and implemented," said Nafta managers.

Lithuanian Prime Minister Adolfas Slezevicius said last week that the situation is forcing Lithuania to urgently seek out alternative sources of petroleum products. In this light, the construction of an oil terminal with an annual capacity of 600,000 tonnes will be initiated at the Klaipeda state oil enterprise. The construction of the oil terminal is to be completed in 1995.

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